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GOVERNMENT OF INDIA

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STATE DEVELOPMENT PLANS—REVIEW OF PROGRESS

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Introduction

This memorandum provides a factual review of progress in the implementation of the Development Plans of various States under the Second Five Year Plan. The review relates to the first two years of the Plan and also takes into account the financial provisions and estimates/targets for the third year. The object of the review is to indicate for each State Plan outlays for the period 1956-59, progress in different sectors and more especially in agriculture, irrigation and power, and the steps taken to obtain financial resources for the State Plan. This document is intended to supplement with reference to States the account given in Planning Commission's Memorandum on the Appraisal and Prospects of the Second Five Year Plan.

It should be added that financial estimates for 1958-59 are based on Planning Commission's discussions with State Governments which took place prior to the presentation of their budgets for the year to the State Legislatures. These estimates would need to be reviewed to some extent in the light of the budgets as finally passed.

May 1958.

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(1) ANDHRA PRADESH

PLAN OUTLAY

The outlay on the Second Five Year Plan of Andhra Pradesh amounts to Rs. 174·77 crores.

PROGRESS OF EXPENDITURE

2.(1) The actual expenditure incurred during 1956-57 came to Rs. 24·95 crores. The revised estimate for 1957-58 stands at Rs. 34·60 crores. The agreed outlay for 1958-59 is Rs. 30·02 crores. Even if it is assumed that there would be no shortfalls in the second and third years of the Plan period, the total expenditure for the first three years will not exceed Rs. 89·57 crores which gives a percentage of 51 with reference to the total outlay. The balance of outlay for the last two years comes to about Rs. 85 crores. It is doubtful if resources to that extent would be forthcoming.

(2) The summary position of progress of expenditure by major heads is indicated below:—

(Rupees in crores)

Major Head	Plan Provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Agreed Outlay	Total 1956-59	Col. 6 as % of Col. 2
1	2	3	4	5	6	7
Agriculture & allied subjects	24·56	1·04	3·35	4·59	8·98	37
C. D. & N. E. S.	15·40	1·89	3·15	3·05	8·09	53
Multipurpose Projects	32·30	3·53	8·00	7·00	18·53	57
Irrigation	16·35	4·52	3·13	2·80	10·45	64
Power	27·82	9·73	6·87	3·19	19·79	71
Industry	13·47	1·06	2·49	1·68	5·23	39
Transport	7·69	0·31	1·18	1·11	2·60	35
Social Services						
Education	12·80	0·42	1·52	2·00	3·94	31
Health	11·00	1·29	2·02	1·94	5·25	47
Housing	5·17	0·62	1·04	0·94	2·60	50
Welfare of Backward Classes	4·01	0·37	0·64	0·76	1·77	44
Social Welfare	0·82	..	0·10	0·16	0·26	32
Labour Welfare	0·71	..	0·08	0·13	0·21	29
TOTAL (SOCIAL SERVICES)	34·51	2·70	5·40	5·93	14·03	40
Miscellaneous	2·67	0·17	1·03	0·67	1·87	70
GRAND TOTAL	174·77	24·95	34·60	30·02	89·57	51

(3) In the Irrigation and Power sectors, expenditure in the first three years is proportionately much in excess of that in other sectors. Curiously enough in this State where there are rich possibilities of agricultural development, expenditure in the first three years under Agriculture & allied subjects has been low. The other sectors which have suffered in the same way are 'Large & Medium Industries', 'Education' and 'Transport'.

PROGRESS UNDER IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The target of additional food production for Andhra Pradesh for the Second Five Year Plan is 14·86 lakh tons. As regards the achievement of additional production potential for foodgrains, the position is as under:

Additional Production Potential for Foodgrains*

(Lakh tons)

Source	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·02	Negligible
Minor Irrigation	0·14	0·21
Land Reclamation	0·19	0·26
Manures & Fertilizers	0·37	0·89
Seed Schemes	0·07	0·19
Improved Agricultural Practices	0·69	0·62
TOTAL	1·48	2·17

As against the target of 447 seed farms during the Plan period no progress was made in 1956-57 due to difficulty in acquisition of land. 71 seed farms were set up in 1957-58 and the target for 1958-59 is 183 farms.

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*Estimated by the Agriculture Division, Planning Commission ; data subject to certain limitations.

In Andhra Pradesh water is given free everywhere for green manure. By 1958-59, green manure would be available for 29 lakhs of acres. The use of chemical fertilizers has also risen from 1·97 lakh tons in 1957-58 to 2·4 lakh tons.

As against the Plan target of 4·50 lakh acres to be irrigated during 1956-61 under minor irrigation, an area of 70,000 acres was irrigated in 1956-57 and 1·05 lakh acres in 1957-58.

About 9 lakh acres are under Japanese method of rice cultivation. The State Government propose to double this area. Additional production of food in Godavari and Krishna deltas alone, in which 6 to 7 lakh acres would be under Japanese method of cultivation, will be of the order of 2½ lakh tons.

(2) *Medium & Major Irrigation*.—The Plan target of area to be brought under irrigation by these sources comes to 4·87 lakh acres. Only 8,000 additional acres were irrigated in 1956-57 and the likely achievement for 1957-58 is 39,000 acres.

The Tungabhadra project was estimated to irrigate 148,000 acres of which 36,000 acres would be for wet crops and 112,000 acres for irrigated dry crops. Though water was let out for about 70,000 acres by July 1955, irrigation has been difficult in places due to heavy rainfall and also breaches in channels and distributaries. Even though water will be available for 116,000 acres during the current year, it is expected that the actual area irrigated would be 13,500 acres wet and 10,800 acres irrigated dry, thus totalling to 24,300 acres. The progress in the development of irrigation particularly in the irrigated dry area has been very slow mainly because of heavy rainfall during the last two years. The State Government hopes to achieve the full target of 36,000 acres under wet cultivation by 1959-60. But the development of the dry area will take a longer time. Under the K.C. canal area, 17,000 acres have been brought under irrigation.

(3) *Power*.—The power generated in 1957-58 (59,000 KW) is from Ramagundam Thermal Station and Tungabhadra Stage I. The target for 1958-59, is 48,000 K.W. according to the State Government, but no additional power is envisaged according to the information available in the Planning Commission.

FINANCIAL RESOURCES

4. (1) Details regarding financing of the Plan are indicated in the table below:

(Rs. crores)

	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	1956-59 Total	** Five year Estimates, 1956-61
1	2	3	4	5	6
I. *Plan Outlay*	25·0	31·0	30·0	86·0	174·8
II. State's Contribution					
A. *Revenue Account*					
1. Balance from Revenue Account (at 1955-56 rates of taxation).	(—)3·1	3·7	1·4	2·0	2·9
2. Additional taxation	0·7	3·3	4·6	8·6	11·3
3. Share of additional Central taxation	..	1·6	2·2	3·8	4·8
TOTAL A	(—)2·4	8·6	8·2	14·4	19·0
B. *Capital Account*					
1. Loans from the Public	7·9	..	..	7·9	28·0
2. Share of Small Savings	0·3	4·0	6·0	10·3	5·5
3. Unfunded Debt (net)	0·6	0·6	0·6	1·8	2·8
4. Miscellaneous Capital Receipts	(—)1·8	(—)5·6	(—)2·8	(—)10·2	(—)1·8
Total B	7·0	(—)1·0	3·8	9·8	3·45
TOTAL (A + B)	4·6	7·6	12·0	24·2	53·5
III. *Central Assistance*	15·0†	18·8†	18·0@	51·8	
Gap in Resources * I—(II+III)	5·4	4·6	..	10·0	

* Met from Reserve.

(Rs. crores)

	Loans	*Grants*	*Total*
†1956-57 (Disbursements)	14·9	2·4	17·3
†1957-58 (Disbursements/sanctions)	16·6	3·0	19·9
@1958-59 (Allotment)	14·0	3·9	17·9

*Tentative estimate worked out in the Planning Commission for the reorganised State.

(2) The State was expected to contribute Rs. 53·5 crores for financing the Plan, Rs. 19 crores on Revenue Account and Rs. 34·5 crores on Capital Account. Since there was an uncovered gap of Rs. 400 crores in the overall resources for the Plan, the State may be expected to contribute its share towards this gap also. For the period 1956-59 the contribution of the State on Revenue Account comes to Rs. 14·4 crores and on the Capital Account Rs. 9·8 crores. It has to be added, however, that the State also found Rs. 10·0 crores from its opening balance and sale of securities etc. The Central Assistance for this period works out to Rs. 55·1 crores (disbursements for 1956-57, disbursements/sanctions for 1957-58 and allotment for 1958-59).

(3) The balance from the Revenue Account for 1956-59 towards financing the Plan outlay is Rs. 2 crores against the five year estimate of Rs. 2·9 crores. It is, however, to be borne in mind that a sum of Rs. 5 crores per annum has been gained by the State during 1957-59 under the Finance Commission's Award. If this is taken out, the balance from the Revenue Account would amount to Rs. (—) 8 crores.

(4) Additional taxation measures have so far yielded Rs. 8·6 crores. The measures taken so far are likely to contribute over the Plan period a sum of Rs. 17·2 crores against the original estimate of Rs. 11·3 crores.

(5) The State was expected to contribute Rs. 28 crores on account of Loans from the public and Rs. 5·5 crores under Small Savings. Loans from the public for the first three years have amounted to Rs. 7·9 crores and the State's share of Small Savings to Rs. 10·3 crores. It may, however, be mentioned that the formula for calculating the States' share of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

5. In financial terms it does not appear that the Second Plan outlay will be expended in full. On the resources side, although additional taxation has been satisfactory, State's contributions are not keeping pace with anticipations.

(2) ASSAM

PLAN OUTLAY

1. (1) The outlay on the Second Five Year Plan of Assam is Rs. 57·94 crores. Actual expenditure in 1956-57 amounted to Rs. 9·17 crores. According to the revised estimates, the expenditure in 1957-58 is Rs. 11·60 crores. An outlay of Rs. 10·71 crores has been agreed to by the Planning Commission for 1958-59. On this basis the expenditure in the first three years would be Rs. 31·48 crores leaving a balance of Rs. 26·46 crores for the remaining two years 1959-61.

PROGRESS OF EXPENDITURE

(2) The following is a summary statement by major heads of development showing the five year Plan provision, progress of expenditure in 1956-58 and the outlay agreed for 1958-59:

(Rs. crores)

Major Head	Plan Provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as percentage of col. 2
1	2	3	4	5	6	7
Agriculture and allied subjects . .	9·37	1·76	2·39	1·96	6·11	65·1
C.D. & N.E.S. .	5·51	1·24	1·27	0·89	3·40	61·7
Irrigation . .	0·64	0·06	0·15	0·17	0·38	59·4
Power . .	3·80	1·07	0·63	0·53	2·23	58·7
Industry . .	5·13	0·51	1·09	0·74	2·34	45·6
Transport . .	7·69	1·49	1·60	1·34	4·43	57·6
Social Services						
Education . .	7·13	0·88	1·26	1·52	3·66	51·3
Health . . .	4·96	0·39	0·84	0·92	2·15	43·3
Housing . .	1·23	0·21	0·22	0·25	0·68	55·3
Welfare of Backward classes . .	9·50	1·27	1·65	1·88	4·80	50·5
Social Welfare .	0·51	0·03	0·07	0·10	0·20	39·2
Labour Welfare .	0·38	..	0·03	0·04	0·07	18·4
TOTAL (Social Services)	23·71	2·78	4·07	4·71	11·56	48·8
Miscellaneous .	2·09	0·26	0·40	0·37	1·03	48·8
GRAND TOTAL	57·94	9·17	11·60	10·71	31·48	54·3

While the expenditure on Agriculture, C.D. and N.E.S., Irrigation and Power and Transport has been much above the average rate, that on Industry and Social Services has been well below it.

PROGRESS UNDER IMPORTANT SECTORS

2. (1) *Agricultural Production.*—The expenditure in the first three years amounts to Rs. 3·10 crores which is about 65% of the Plan outlay. The target of additional food production for the Second Plan period was 4·5 lakh tons. The State Government have, however, accepted a lower target of 3·78 lakh tons. As regards the achievement of food production potential,* the position is as under:

(Lakh tons)

	1956-57 Achievements	1957-58 Anticipated achievement
Major Irrigation	0·01	0·02
Minor Irrigation	0·18	0·61
Land Development	0·01	0·02
Manures & Fertilisers	0·06	0·09
Seed Schemes	0·08	0·13
Improved Agricultural Practices	..	..
	0·34	0·87

(2) Out of the five year target of 160 seed farms, 57 farms have been set up by the end of 1957-58. The target for 1958-59 is 41 seed farms. The slow progress is mainly due to the difficulties of land acquisition. In 1957-58, against the target of 40,133 acres, only 10,000 acres were brought under improved seeds. It is proposed to cover 2·38 lakh acres under improved seeds in 1958-59.

(3) *Minor Irrigation.*—The State Plan provides Rs. 1·94 crores for Minor Irrigation works. The expenditure during the first three years would be Rs. 1·67 crores. Against the Plan target for additional irrigation of 12·12 lakh acres, the achievement during the first two years is 3·97 lakh acres. According to the State Government, the annual addition to area irrigated by Minor Irrigation works in 1958-59 will be 8·29 lakh acres.

(4) *Major & Medium Irrigation.*—There is no provision for Major and Medium Irrigation works in the Assam Plan. Against the Plan target of additional irrigation for 16,000 acres through works completed under the First Plan, about 12,000 acres received irrigation during 1956-58. The target for 1958-59 is 4,000 acres.

(5) *Power Projects.*—The bulk of the provision in the Power Plan of Assam is for Cherrapunji (Umtynagar) Steam Station (Rs. 148·95 lakhs) which has now been approved by the Technical Committee and is expected to create additional installed capacity of 6,000 KW. during the Plan period. Against the Plan target of 14,400 KW, additional capacity installed during the first three years is 8,400 KW. Umtru Project Stage I with an installed capacity of 7,500 KW

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*Estimated by Agriculture Division, Planning Commission ; data subject to certain limitations.

in 3 × 2500 KW sets was commissioned in July 1957. During 1957-58, first 33 K.V. line from Umtru to Gauhati, has been completed.

FINANCIAL RESOURCES

3. (1) The State's contribution towards the Plan outlay of Rs. 58 crores was estimated at Rs. 17·3 crores—Rs. 15·5 crores on Revenue Account and Rs. 1·8 crores on Capital Account. The gap between the Plan outlay and State's resources amounts to Rs. 40·6 crores. Since the scheme of financing the Second Plan included a gap of Rs. 400 crores to be covered by additional domestic resources, the State may be expected to contribute some additional resources for bridging the gap of Rs. 40·6 crores also.

(2) The following table brings out the picture of financial resources in detail year by year:

(Rs. crores)

	Five year estimate 1956-61	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	Total 1958-59
1	2	3	4	5	6
I. *Plan Outlay* . .	57·9	9·2	11·6	16·7	31·5
II. *States Contribution*					
A. REVENUE ACCOUNT					
1. Balance from Revenue Account	9·0	0·9	3·3	3·5	7·7
2. Additional taxation . .	5·0	..	..	..	..
3. Share of additional Central taxation . . .	1·5	..	0·5	0·7	1·2
	15·5	0·9	3·8	4·2	8·9
B. CAPITAL ACCOUNT					
1. Loans from the public .	..	..	..	..	..
2. Share of Small savings .	4·0	0·6	1·5	1·5	3·6
3. Unfunded Debt . .	0·7	..	0·3	..	0·3
4. Other Miscellaneous receipts	(—)2·9	(—)1·2	(—)1·9	(—)0·7	(—)3·8
	1·8	(—)0·6	(—)0·1	0·8	0·1
TOTAL (A. & B.) .	17·3	0·3	3·7	5·0	9·0
III. *Central assistance* . .	..	5·7*	6·8*	4·5*	17·0
IV.—Gap in resources **I—(II + III)		3·2	1·1	1·2	5·5

*The figures of Central assistance are those adopted in the Working Group on Financial Resources for 1958-59.

**Met from reserves.

(3) It would appear from the above table that in the first three years, the State would have contributed to the resources for the Plan a sum of Rs. 8·9 crores on Revenue Account against the five years' estimate of Rs. 15·5 crores, Rs. 0·1 crore on Capital Account against Rs. 1·8 crores for five years and a sum of Rs. 5·5 crores from cash reserves and sale of securities etc. It may, however, be borne in mind that the amount of Rs. 8·9 crores takes into account the resources transferred (Rs. 3·45 crores per year) from the Centre as a result of the Finance Commission's Award.

(4) Against the five years' estimate of Rs. 9·0 crores, the balance available from Revenue Account in the first three years amounts to Rs. 7·7 crores. If a sum of Rs. 6·9 crores (for 1957-59) transferred from the Centre under the Finance Commission's Award is taken out this figure will come down to Rs. 0·8 crores. This position shows that the committed expenditure on both developmental and non-developmental heads has gone up and/or expenditure is being incurred on non-Plan items.

(5) The original target of additional taxation was Rs. 5 crores. So far no measures for additional taxation have been taken.

(6) The five year target of the share of Small Savings was Rs. 4 crores. The amount already realised during the first three years is Rs. 3·6 crores. It may, however, be mentioned that the formula for calculating the State's share in respect of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

CENTRAL ASSISTANCE

In 1956-57, Central assistance disbursed amounted to Rs. 5·5 crores—Rs. 3·2 crores as loans and Rs. 2·3 crores as grants. In 1957-58 the amounts disbursed/sanctioned will be Rs. 6·3 crores—Rs. 3·5 crores as loans and Rs. 2·8 crores as grants. In 1958-59, it is estimated that on the basis of existing pattern, the total assistance that might accrue to the State will be about Rs. 5·2 crores. While the State Government will draw assistance on the basis of existing pattern, the assistance during 1958-59 will be subject to a total of Rs. 4·5 crores as agreed to in discussions relating to the Assam Plan for 1958-59.

(3) BIHAR

PLAN OUTLAY

The outlay on the Bihar State Plan after reorganisation of States is Rs. 190·22 crores including Rs. 16·15 crores for Kosi (Irrigation) and Rs. 7·83 crores for D.V.C. (Bihar's share).

PROGRESS OF EXPENDITURE

2. (1) The actual expenditure in 1956-57 amounted to Rs. 23·66 crores. Against the agreed outlay of Rs. 35·04 crores for 1957-58, the State Government budgeted an outlay of Rs. 32·92 crores and have reported the preliminary revised estimates at Rs. 29·01 crores. For 1958-59, an outlay of Rs. 30·71 crores has been agreed to by the Planning Commission. On this basis, the expenditure in the first three years would be about Rs. 83 crores which would mean a fulfilment of the Plan in terms of outlay to the extent of about 44%. The balance of outlay to be spent in the remaining two years of the Plan period amounts to Rs. 107 crores which would mean almost doubling the average annual rate of expenditure in the first three years. There is likely to be some shortfall in the realisation of the target of Plan outlay.

(2) The following is a summary statement by major heads of development showing the five year provision, progress of expenditure in 1956-58 and the outlay agreed to for 1958-59:

(Rs. crores)

Major Head	Plan Provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as percentage of Col. 2
1	2	3	4	5	6	7
Agriculture and allied subjects	30·26	4·16	5·63	5·42	15·21	50·2
C.D. & N.E.S.	17·45	2.28	3·13	4·15	9·56	54·8
D.V.C.	7·83	1·60	2·48	2·87	6·95	44·4
Kosi Project	16·15	0.07	1·65	1·[illegible]	3·60	
Medium Irrigation	16·44	2·17	2·65	2·43	7·25	
Power	19·02	3·44	2·53	2·61	8·58	
Industry	12·31	1·12	1·56	1·48	4·16	33·8
Roads & Road Transport	18·05	3·52	2·73	2.65	8·90	49·3

1	2	3	4	5	6	7
Social Services						
Education	22·83	2·09	2·81	3·23	8·13	35·6
Health	16·18	2.19	2·07	2·14	6·40	39·6
Housing	5·95	0·44	0·68	0·72	1·84	30·9
Labour & Labour Welfare	0·74	0·02	0·05	0·08	0·15	20·0
Welfare of Backward Classes	5·43	0·46	0·90	0·90	2·26	41.6
Social Welfare	0.63	0·01	0·02	0·03	0·06	9·5
TOTAL (Social Services)	51·76	5·21	6·53	7·10	18·84	36·4
Miscellaneous	0·95	0·09	0·12	0·12	0·33	34·7
GRAND TOTAL	190·22	23·66	29·01	30·71	83·38	43·8

(3) It is apparent from the above statement that whereas the expenditure under Agriculture and allied subjects (50·2%), Community Development & National Extension Service (55%) and Irrigation and Power (45%) has been above the average rate (44%), that under Industry and Social Services has been much below it.

REVIEW OF IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The expenditure in the first three years amounts to Rs. 10·47 crores which is about 76% of the Plan outlay. The target of additional food production for the State was fixed at 15·0 lakh tons. As regards the achievement of food production potential, the position is as under:—

Additional production potential for foodgrains*

(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·12	0·36
Minor Irrigation	0·07	0·81
Land Development	0·09	0.22
Manures & Fertilisers	0·53	0·57
Seed Schemes	0·03	0·12
Improved Agricultural Practices	..	0·77
TOTAL	0·84	2·85

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*Estimated by Agriculture Division, Planning Commission; data subject to certain limitations.

(2) Against the Plan target of 574 seed farms*, 360 farms have been set up by the end of 1957-58. The target for 1958-59 is 214 seed farms. The target for green manuring during the first two years (1956-58) was 2·47 lakh acres and the achievement was 2·24 lakh acres. The target for 1958-59 is 3 lakh acres* and to achieve this, arrangements have been made to procure 50,000 mds. of Sann hemp and Dhaincha seeds mainly from outside the State to supplement local production. Local production of green manure seeds was 900 mds. in 1956-57 which has gone up to 14,000 mds. in 1957-58. Against the five year target of distribution of 1·00 lakh tons of Ammonium Sulphate and 0·25 lakh tons of Superphosphate, the achievement in the first two years amounts to 0·44 lakh tons and 0·11 lakh tons respectively; the target for 1958-59 is 0·90 lakh tons and 0·17 lakh tons.

(3) *Minor Irrigation*.—The expenditure in the first three years is Rs. 4·79 crores which is in excess of the five year outlay of Rs. 4 crores. The excess is on account of additional allocations made to the State in 1957-58 as a result of the recommendation of the Sivaraman Committee on scarcity conditions in the State. Against the Second Plan target of 17·4 lakh acres, the area irrigated during 1956-58 is 6·53 lakh acres.

(4) *Major and Medium Irrigation*.—Against the five year outlay of Rs. 40·42 crores the expenditure in the first three years amounts to Rs. 17·80 crores including about Rs. 10 crores on D.V.C. and Kosi. The irrigation potential created is 4·2 lakh acres and the area actually irrigated up to 1957-58 is 3·1* lakh acres through Medium Irrigation schemes excluding tubewells. Under tubewells alone, the irrigation potential created upto the end of First Plan was 2·24 lakh acres and the area actually irrigated by 1957-58 was 1·19 lakh acres. Some of the tubewells were not completed according to schedule. some were not energised and in some cases, the canal construction was not completed. The practice* of 'Satta' is partly responsible for shortfall in actual irrigation.

(5) *Power*.—The expenditure in the first three years amounts to Rs. 8·58 crores against the Plan outlay of Rs. 19 crores. Against the five year target of installed capacity of 30 thousand KW from Baruni Thermal Station, no addition is envisaged in the first three years of the Plan period.

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*Based on the tour report of Adviser, Programme Administration dated 22-4-58.

FINANCIAL RESOURCES

4. (1) The following statement indicates in some detail the resources for the Plan outlay:

(Rs. crores)

	Five Year estimate 1956-61	1956-57 Actuals	1957-58 likely Actuals	1958-59 Agreed	Total 1956-59
1	2	3	4	5	6
I. *Plan Outlay*	190·2	23·7	29·0	30·7	83·4
II. State's Contribution					
A.—REVENUE ACCOUNT					
1. Balance from Revenue Account	15·6	(—)7·2	0·2	5·0 0·9†	(—)1·1
2. Additional taxation . .	28·3	0·1	0·7	4·4	5·2
3. Share of additional Central taxation	6·3	0·4	1·7	2·4	4·5
TOTAL A . .	50·2	(—)6·7	2·6	12·7†	8·6
B.—CAPITAL ACCOUNT					
1. Loans from the Public .	14·0	2·1	..	..	2·1
2. Share of small savings .	13·00	1·6	4·1	5·0	10·7
3. Unfunded debt . .	1·0				
4. Other Miscellaneous Capial Receipts	(—)1·3	8·2	(—)2·1	(—)3·7	2·4
TOTAL B . .	26·7	11·9	2·0	1·3	15·2
TOTAL—(A + B) .	76·9*	5·2	4·6	14·0†	23·8
III. *Central Assistance* .		9·7**	14·0**	16·7††	40·4
IV. Gap in resources @ I—(II III) . .		8·8	10·4	..	19·2

*Tentative estimates worked out in the Planning Commission.

†To be found by economy and/or additional texation.

**The figures of Central assistance are those adopted in Working Group on Financial Resources for 1958-59.

@Met from Reserves.

††Loans Rs. 5·0 crores ; Grants Rs. 11·2 crores.

(2) State's contribution towards the Plan outlay of Rs. 190·2 crores was estimated at Rs. 76·9 crores, Rs. 50·2 crores on Revenue Account and Rs. 26·7 crores on Capital Account. The gap between the Plan outlay and the State's contribution was about 113 crores. Since the scheme of financing the Second Plan included a gap of Rs. 400 crores to be covered by additional domestic resources, the State Government may be expected to contribute some additional resources for bridging the gap of Rs. 113 crores.

(3) In the first three years, the State Government would have contributed to the resources for the Plan, a sum of Rs. 23·8 crores: Rs. 8·6 crores on Revenue Account and Rs. 15·2 crores on Capital Account. With the estimated Central assistance at Rs. 40·4 crores, the gap in resources amounts to Rs. 19·2 crores which has been financed by the Bihar Government by liquidation of securities and overdrafts on the Reserve Bank.

(4) Against the five year estimate of Rs. 15·6 crores, the balance from Revenue Account in the first three years comes to Rs. (—) 1·1 crores. It must, however, be borne in mind that this includes the resources (Rs. 3·8 crores each year) transferred from the Centre to the State as a result of the Finance Commission's Award. If a sum of Rs. 7·6 crores for 1957-59 transferred from the Centre to Bihar is taken out, this figure will come down to Rs. (—) 8·7 crores. This position indicates that the committed expenditure on both developmental and non-developmental heads has gone up and/or expenditure is being incurred on non-Plan items.

(5) The original target of additional taxation for five years was Rs. 28·3 crores. To this has to be added a certain unspecified amount to cover the gap of Rs. 400 crores referred to above. The likely realisation in the first three years is Rs. 5·2 crores; the yield over the five year period will be 12·8 crores. Nothing has been done regarding the yields agreed to in respect of agricultural income-tax. land revenue, standardisation of local taxes and electricity duties. The Betterment Levy Bill is likely to be passed in the current session of the Assembly. The yield is estimated at Rs. 30 lakhs a year. At this rate, the target is not likely to be achieved.

(6) Against the five year target of 27 crores—Rs. 14 crores under Public Loans and Rs. 13 crores under Small Savings, the amounts realised in the first three years would be 12·8 crores—Rs. 2:1 crores under Public Loans and Rs. 10·7 crores under share of Small Savings. It may, however, be mentioned that the formula for calculating the State's share in respect of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

CENTRAL ASSISTANCE

In 1956-57 Central assistance disbursed amounts to Rs. 10·7 crores—Rs. 7·4 crores as loans and Rs. 3·3 crores as grants. In 1957-58, the amount disbursed/sanctioned is Rs. 16·0 crores—Rs. 11·9 crores as loans and Rs. 4·1 crores as grants. In 1958-59, the agreed Central assistance amounts to Rs. 16·7 crores—11·7 crores as loans and Rs. 5·0 crores as grants.

(4) BOMBAY

PLAN OUTLAY

The total outlay on the Second Five Year Plan of Bombay after reorganisation is Rs. 350·22 crores. The details are as follows:

(Rs. crores)

	Plan (1956-61)
Residuary Bombay	229·36
Saurashtra	47·74
Vidarbha	39·28
Marathwada	25·99
Kutch	7·85
TOTAL	350·22

PROGRESS OF EXPENDITURE

2. (1) The actual expenditure incurred during 1956-57 amounted to Rs. 44·45 crores. As compared to the budgeted outlay of Rs. 73·43 crores during 1957-58, the revised estimates are placed at Rs. 61·28 crores. For 1958-59 an outlay of Rs. 71·54 crores was agreed to by the Planning Commission but the State Government have budgeted for an outlay of Rs. 76·78 crores. This outlay of Rs. 76·78 crores has subsequently been approved by the Planning Commission subject to certain conditions. Assuming an anticipated actual expenditure of Rs. 70 crores during 1958-59, about Rs. 175 crores i.e. 50 per cent of the Plan outlay would have been incurred during the first three years of the Plan period. Depending on the availability of resources and the momentum gathered in the third year of the Plan period, the State Government can reasonably be expected to implement about 95 per cent of the entire Second Plan Outlay.

(2) The table given below indicates under major heads of

development the progress of expenditure during 1956-57 and 1957-58, and the agreed outlay for 1958-59.

(Rs. crores)

Major Head	Plan Provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Agreed Outlay	Total 1956-59	Col. 6 as % of Col. 2
1	2	3	4	5	6	7
Agriculture & allied subjects . .	55·70	7·27	10·34	14·67	32·28	58
C.D. & N.E.S. .	31·05	1·56	4·57	3·73	9·86	32
Irrigation . .	80·66	9·71	12·60	13·85	36·16	45
Power . . .	55·93	8·49	10·45	12·32	31·26	56
Industry . .	13·14	1·80	1·78	1·77	5·35	40
Transport . .	29·25	6·89	6·25	6·61	19·75	67
Social Services						
Education . .	22·97	1·87	3·76	4·49	10·12	44
Health . . .	27·49	3·07	3·91	5·80	12·78	47
Housing . .	17·36	2·92	4·25	5·20	12·37	71
Welfare of Backward Classes .	4·50	0·43	0·68	1·00	2·11	47
Social Welfare .	1·67	0·05	0·11	0·33	0·49	30
Labour & Labour Welfare . .	2·11	0·04	0·38	0·52	0·94	45
TOTAL (Social Services) . .	76·10	8·38	13·09	17·34	38·81	51
Miscellaneous .	8·39	0·55	2·20	1·25	3·80	45
GRAND TOTAL	350·22	44·45	61·28	71·54	177·27	50

(3) It will be noticed from the above table that the progress of expenditure is satisfactory under 'Transport' and 'Agriculture and Allied Subjects', though food production has not fully reached the targets in the last two years. The progress under Irrigation and Power and Social Services is fair. Progress of Power projects, e.g. Koyna has been good. But progress in Irrigation Projects. e.g. Scarcity Area programme and effective implementation of Kakrapara and Mahe projects for making an adequate contribution to food production, has been slow. Progress is below par under C.D. and N.E.S. and Industry. In 1956-57 problems arising out of the States Reorganisation impeded the execution of schemes.

PROGRESS UNDER IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The target of additional food production during the Second Plan period as agreed to with the Planning Commission is 15·14 lakh tons. This target has been split up under various programmes—Irrigation, Manures and Fertilisers Seeds, Minor Irrigation, etc. Those falling under the Department

of Agriculture account for 11·61 lakh tons and under P.W.D. 3·53 lakh tons. Recently the State Government indicated that the target of the Agriculture Department has remained the same while that for P.W.D. has been lowered to 1·05 lakh tons. The phased target and achievement of the Agriculture Department is as follows:

	1956-57 Target	1956-57 Achievement	1957-58 Target	1957-58 Achievement	1958-59 Target	1958-59 Achievement	1959-60 Target	1960-61 Target
Agriculture Department (Lakh tons) .	1·42	1·04	2·21	1·59	3·45	2·86	6·58	11·61

The original and revised targets of the P.W.D. are as follows :—

	1956-57 Original	1956-57 Revised	1957-58 Original	1957-58 Revised	1958-59 Original	1958-59 Revised	1959-60 Original	1959-60 Revised	1956-61 Original	1956-61 Revised
P.W.D. (thousand tons) . . .	24·3	12·0	57·3	20·0	N.A.	42	N.A.	52	353	105

The achievement of the Agriculture Department is over 72 per cent in the first two years and it is proposed to achieve 83 per cent of the target in the third year. The main causes for not reaching the full targets in 1958-59 are stated to be: (1) deficit of chemical manure (only 54,000 tons being allotted to the State as against 120,000 tons), (2) the Seed programme not having got under way fully yet and (3) deficit in irrigation wells. The State Government expect that the targets in the remaining two years will be reached nearly fully as the deficit of seeds and wells can be made up by the last year.

The figures of the achievement of additional production potential for foodgrains worked out in the Agriculture Division of the Planning Commission are as under:

(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·02	0·01
Minor Irrigation	0·06	0·17
Land Reclamation	0·19	0·46
Manures & Fertilisers	0·28	0·38
Seed Schemes	0·36	0·02
Improved Agricultural Practices . . .	0·66	0·24
TOTAL	1·57*	1·28

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* Data subject to certain limitations.

As against the five year target of 450 seed farms none was established in 1956-57, 166 farms had been set up during 1957-58 and the remaining 284 are proposed for 1958-59 so that the entire number of seed farms will be in position by the end of the third year. The full effect of these farms on the supply of good seeds will be felt in the last year.

Under Soil Conservation, an area of 2 lakh acres was expected to be bunded during 1957-58 and a target of about 3 lakh acres is proposed for 1958-59. This scheme is progressing at an accelerated pace through Farmers' Councils set up in villages which arrange for the necessary labour from the whole village instead of hired labourers or the owners of the fields alone being used. The villagers are found to be keen on this work. The result of contour bunding in increasing the supply in wells is considerable and is well appreciated.

(2) *Minor Irrigation.*—As against the Plan target of 10·3 lakh acres to be irrigated, only 32,000 acres in 1956-57 and 88,000 acres in 1957-58 have been irrigated and a target of 1·5 lakh acres is set for 1958-59. Most of the works in hand are expected to be completed by the end of 1958-59. The construction of works by the P.W.D. has been more slow than was expected and their contribution to food production has been considerably reduced. The engineers of the State Government were of the view that it was not possible to accelerate the completion of these works for food production drive. The progress under tube-well programme in North Gujerat and Saurashtra is satisfactory.

(3) *Irrigation.*—As against the created potential of 64,000 acres, the actual area irrigated is 2,000 acres in 1957-58. It was found that the water stated to be ready for irrigation was often not useable owing to lack of adequate field channels or other defects in the canal system. Cultivators were, however, found to be eager and ready to use water that was available. Most of the continuing schemes from the First Five Year Plan will be completed by the end of 1958-59. In the first three years of the Second Plan period relatively small provisions have been allotted to new schemes.

During the discussions on the Annual Plan 1958-59, it was noticed that the estimates of Kakrapara, Mahe, etc. were being substantially revised upwards. In view of this the State Government have been asked to work out a revised detailed programme for all the irrigation schemes within the outlay fixed for irrigation in the Plan. There is a lag between the irrigation potential created and the actual area irrigated, particularly in the Kakrapara Project area. The total irrigated area under the project has so far reached 32,000 acres and water will be made available for about 80,000 acres during 1958-59. The State Government's attention has been drawn to the need for full utilisation of the potential created.

(4) *Power.*—The achievement of additional power from the electricity schemes in Saurashtra is 60,000 KW in 1956-57 and 30,000 KW in 1957-58. The progress under the Koyna project is appreciable. Implementation of the other power schemes has been retarded to a certain extent due to difficulties regarding import of cables, land acquisition, supply of key materials and delay in import of plant and machinery.

FINANCIAL RESOURCES

4 (1) For financing the total plan outlay of Rs. 350·2 crores, the State's own resources are estimated at Rs. 207·2 crores—Rs. 63·0 crores on Revenue Account and Rs. 144·2 crores on Capital Account. This figure does not include the State's share of additional effort to raise resources for bridging the gap of Rs. 400 crores in the Plan.

(2) The following table brings out the scheme of financing the Plan outlay for the first 3 years as agreed to during the Annual Plan 1958-59 discussions and the estimate for the five years:

(Rs. crores)

	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	1956-59 Total	Five Year Estimate 1956-61@
1	2	3	4	5	6
I. *Plan Outlay* . . .	*44·4*	*65·0**	*71·5*	*180·9*	*350·2*
II. *States contribution*					
A.—REVENUE ACCOUNT					
1. Balance from Revenue Account (at 1955-56 rates of taxation)	13·4	7·9	7·0	28·3	30·8
2. Additional taxation . .	..	..	4·5	4·5	23·3
3. Share of additional Central taxation	..	2·6	3·7	6·3	8·9
	13·4	*10·5*	*15·2*	*39·1*	*63·0*

1	2	3	4	5	6
B.—Capital Account					
1. Loans from the Public .	9·6	6·6	10·0	26·2	61·0
2. Share of Small Savings .	4·2	12·6	10·0	26·8	44·5
3. Unfunded debt (net) .	1·5	1·4	1·6	4·5	6·9
4. Misc. Capital Receipts .	4·0	0·9	6·2	11·1	31·8
	19·3	21·5	27·8	68·6	144·2
Total (A. & B.) . .	32·7	32·0	43·0	107·7	207·2
III. Central Assistance . .	18·7**	27·00**	28·5**	74·2	
Gap in Resources @@ I—(II+III)	(—)7·0	6·0	..	(—)1·0	

*Latest information indicates Rs. 61·3 crores.

Rs. crores

	Loans	*Grants*	*Total*
**1956-57 (Disbursements)	11·9	3·8	15·7
1957-58 (Disbursements/sanctions)	20·8	4·0	25·2
1958-59 (Allotments)	20·9	7·6	28·5

@Tentative estimates worked out in the Planning Commission for the reorganised State.

@@ Met by withdrawal from Reserves.

(3) It will be seen from the above statement that in the first 3 years the State Governments have contributed Rs. 107·7 crores from their own normal budgetary resources. During 1957-58 withdrawal from reserves amounting to Rs. 6 crores is envisaged but this may not materialise in view of the revised estimate of expenditure now reported *i.e.* Rs. 61 crores against Rs. 65 crores reported earlier.

(4) The Finance Commission's Award has reduced the State's resources to the extent of Rs. 1·5 crores per year. In spite of this, the State Government have contributed about Rs. 28 crores during the first three years of the Plan period as balance from Revenue Account as compared to the Plan target of Rs. 31 crores.

(5) The five year target for additional taxation has been placed at about Rs. 23 crores. During 1956-57 and 1957-58 no measures of additional taxation were introduced. For 1958-59, credit was taken for an amount of Rs. 4·5 crores from additional taxation in the Annual Plan discussions. The State Budget provides for measures which will yield Rs. 3 crores only. On this basis the estimated yield during the Plan period will be only Rs. 9 crores. Under additional taxation the State Government have also taken credit for an amount of Rs. 3 crores a year starting from 1957-58 on account of Inter-States Sales Tax. According to this calculation the five year yield from measures of additional taxation already imposed will come to Rs. 21 crores.

(6) As against the Five Year target of Rs. 61 crores under loans from the public, the State Government have estimated to raise about Rs. 65 crores.

(7) As compared to the Five Year target of Rs. 44 crores under State's share of Small Savings, about Rs. 17 crores have been achieved during the first two years and Rs. 10 crores are estimated for 1958-59. It may, however, be mentioned that the formula for calculating the State's share of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

(8) In the above statement credit has been taken for Rs. 18·7 crores and Rs. 27·0 crores respectively on account of Central assistance for 1956-57 and 1957-58. The actual disbursements in 1956-57 (including loans for Miscellaneous Development Schemes for old Bombay and Saurashtra only) amount to Rs. 15·67 crores. In 1957-58 disbursements/sanctions amounted to Rs. 25·2 crores.

C

(5) KERALA

PLAN OUTLAY

The total outlay on the Second Five Year Plan of the reorganised State of Kerala is Rs. 87 crores.

PROGRESS OF EXPENDITURE

2 (1) The actual expenditure incurred during 1956-57 amounts to Rs. 10·02 crores and the expenditure in 1957-58, as per preliminary revised estimates, is estimated at Rs. 16·65 crores. For 1958-59 an outlay of Rs. 15·51 crores has been agreed to. Assuming a shortfall of about Rs. 2 crores against the revised estimates for 1957-58 and about Rs. 50 lakhs for 1958-59, the expenditure under the State Plan in the first three years would be about Rs. 40 crores, leaving a balance of about Rs. 47 crores for the remaining two years of the Plan period. It is almost impossible for the State to utilise this amount before the close of 1960-61.

(2) The summary position of progress of expenditure by major heads is indicated below:—

(Rs. crores)

Major Head	Plan provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay as agreed	Total 1956-59	Col 6 as % of Col 2.
1	2	3	4	5	6	7
Agriculture & Allied Subjects . .	10·35	0·77	2·00	2·38	5·15	50
C.D. & N.E.S. .	5·48	0·79	0·80	0·96	2·55	47
Irrigation . .	8·63	1·30	1·56	1·70	4·56	53
Power . . .	23·46	3·83	3·60	3·40	10·83	46
Industry . .	7·06	0·86	2·09	1·19	4·14	59
Transport . .	5·57	0·98	1·52	1·01	3·51	63
Social services						
Education . .	10·10	0·43	2·12	2·09	4·64	46
Health . . .	8·48	0·48	1·50	1·37	3·35	40
Housing . .	2·07	0·07	0·26	0·32	0·65	31
Welfare of Backward Classes . .	2·21	0·28	0·57	0·55	1·40	63
Social Welfare .	0·30	0·01	0·03	0·07	0·11	37
Labour and Labour Welfare . .	0·42	.	0·14	0·09	0·23	55
Total (Social Services)	23·58	1·27	4·62	4·49	10·38	44
Miscellaneous .	2·87	0·22	0·46	0·38	1·06	37
TOTAL . .	87·00	10·02	16·65	15·51	42·18	48

The comparatively slow rate of expenditure in the first three years is proportionately shared by all heads. The position is worst under Health, Housing and Miscellaneous.

PROGRESS UNDER IMPORTANT SECTORS

3. (1) *Agricultural Production.*—For the five-year period the revised target of additional food production for Kerala has been fixed at 2·76 lakh tons. As regards the achievement of this target the position is as under:—

Additional production potential for foodgrains*
(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·11	..
Minor Irrigation	0·04	0·05
Land Reclamation	..	..
Manures and Fertilizers	0·09	0·01
Seed Schemes	0·01	..
Improved Agricultural Practices	..	0·03
	0·25	0·09

Imported strains of seeds have yet to be evolved for Travancore-Cochin area but certain improved varieties of seeds are being distributed in the Malabar area. The difficulty is due to great variation of soil and climate factors. The scheme of establishment of Seed Farms was not taken up during 1956-57 in the Travancore-Cochin area but one farm was started in Malabar. Due to very high price of land (Rs. 3000/- to Rs. 5000/- per acre) the State Government have reduced the area of each farm from 25 acres to 8—10 acres each. On this basis all the remaining 7 farms were started during 1957-58.

About 5,000 to 6,000 tons of bonemeal and 1,000 tons of special fertilisers are distributed annually through 311 depots of the Agriculture Department. The area covered from local and green manures is 37,000 acres in 1956-57 and 40,000 acres in 1957-58. The target for 1958-59 is 42,000 acres.

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*Estimated by Agriculture Division, Planning Commission; data subject to certain limitations.

(2) *Minor Irrigation.*—Against the five year target of 2·9 lakh acres of additional area to be brought under irrigation, the achievement in 1956-57 is 20,000 acres and the anticipated achievement for 1957-58 is 24,000 acres. The target for 1958-59 is 28,000 acres. Lift Irrigation programme did not make much progress in the State during 1956-57 and 1957-58. The programme has now been enlarged and is proposed to be implemented during the remaining 2 or 3 years.

(3) *Major and Medium Irrigation.*—Against the five year provision of Rs. 8·63 crores, the expenditure in the first three years would be about Rs. 4·56 crores *i.e.* 53 per cent. of the Plan Outlay. The total additional area brought under actual irrigation during 1956-57 was 45,000 acres. No additional area is expected to be brought under irrigation in 1957-58 and 1958-59. The Second Plan target for irrigation potential is 2·18 lakh acres.

The State Government have constituted a Central Committee with Chief Secretary as Chairman to study the utilisation of irrigation waters and the coverage of irrigated areas with improved methods of agriculture. The State Government also propose to appoint committees at taluk project level, to study the utilisation of irrigation waters and report to the Government.

(4) *Power.*—The five year outlay on electricity schemes under the State Plan is Rs. 23·46 crores. The expenditure in the first three years is likely to be of the order of Rs. 10·83 crores *i.e.* 46 per cent of the Plan provision. The Plan target for additional installed capacity is 87,000 KW. The achievement for 1956-58 and the target for 1958-59 are as indicated below:—

	KW
1956-57	8,000
1957-58	16,000
1958-59	8,000

FINANCIAL RESOURCES

4 (1) The following table brings out in detail the scheme of financing the Plan Outlay.

(Rs. Crores)

	1956-57 Actual	1957-58 Antici-pated Actuals	1958-59 Agreed	1956—59	*Five-year estimate of State resources
I. *Plan Outlay*	10·1	15·0	15·5	40·6	87·0
II. *State's Contribution*					
(A) *Revenue Account*					
1. Balance from Revenue Account	2·1	1·0	0·5	3·6	13·4
2. Additional Taxation.	..	2·1	2·6	4·7	8·6
3. Share of additional Central Taxation . . .	..	0·6	0·7	1·3	1·4
Total A . .	2·1	3·7	3·8	9·6	23·4
(B) *Capital Account*					
1. Loans from Public . .	1·8	..	1·0	2·8	19·0
2. Share of Small Savings .	0·2	0·9	1·5	2·6	3·8
3. Unfunded Debt and other miscellaneous receipts .	(—)1·6	(—)0·2	(—)0·5	(—)2.3	1·4
Total B .	0.4	0.7	2.0	3.1	24.2
TOTAL (A+B) .	2.5	4.4	5.8	12.7	47.6
III. Central Assistance(e)	3.5	6.5	7.5(g)	17.5	
IV. Gap in Resources I—(II+III) .	4.1	4.1	2.2	10.4	

*These are tentative estimates worked out in the Planning Commission for the re-organised State.

(e) The figures for 1956-57 and 1957-58 are as estimated in the Working Group on Financial Resources,

(g) Loans Rs. 5·3 crores and Grants Rs. 2·2 crores.

(2) The State was expected to contribute Rs. 47·6 crores to resources for the Plan; Rs. 23·4 crores on Revenue Account and Rs. 24·2 crores on Capital Account. Since the overall gap in the Plan resources of Rs. 400 crores has also to be covered by additional internal resources, the State may be expected to raise a certain amount of additional resources in this regard. As against this, the State's contribution for the first three years comes to Rs. 9·6 crores on Revenue Account and Rs. 3·1 crores on Capital Account. It should be added, however, that during this period the State would also contribute a sum of Rs. 10·4 crores from sale of securities and

the cash balances. The central assistance for this period as estimated in the Working Group on Financial Resources comes to Rs. 17·5 crores. The figures of actual releases for 1956-57, releases or sanctions for 1957-58 and the agreed assistance for 1958-59 add up to Rs. 14·62 crores as under:

(Rs. crores)

		Loans	*Grants*
1956-57	2.94	1·84	1·10
1957-58	5·18	3·87	1·31
1958-59	7·50	5·30	2·20
TOTAL	15·62		

(3) From the balance on Revenue Account, the State was expected to contribute Rs. 13:4 crores during the Plan period. During the first three years, the contribution comes to Rs. 3·6 crores only and this also includes a sum of Rs. 2 crores transferred from the Centre under the Finance Commission's Award.

(4) Additional taxation by the State has been satisfactory. It is expected that the yield from additional taxation measures adopted so far would come to about Rs. 12 crores for the Five Year Plan period against the assumed contribution of Rs. 8·6 crores.

(5) Borrowings from the public and Small Savings were expected to contribute Rs. 19 crores and Rs. 3·8 crores respectively. Loans from the public so far have been of the order of Rs. 2·8 crores and the State's share of Small Savings for the three years comes to Rs. 2·6 crores. It may be mentioned that the formula for calculating the State's share of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

5. As mentioned at the outset the rate of expenditure has been slow in the first three years of the Plan and it is most unlikely that the Plan will be fulfilled in financial terms. The State's contribution to resources from the balance on Revenue Account at prevailing rates of taxation is also likely to fall much below expectations. The obvious inference is that there has been an increase in non-Plan expenditure.

(6) MADHYA PRADESH

PLAN OUTLAY

The outlay on the Second Five Year Plan of the new State of Madhya Pradesh which came into being after reorganisation is Rs. 190·89 crores as under:—

		(Rs. crores)
1.	Mahakoshal	84.40
2.	Madhya Bharat	67.27
3.	Vindhya Pradesh	24.90
4.	Bhopal	14.32
		190.89

PROGRESS OF EXPENDITURE

2 (1) The actual expenditure in 1956-57 is Rs. 17·98 crores. Against the budgeted outlay of Rs. 35·43 crores for 1957-58, preliminary revised estimates have been reported at Rs. 31·80 crores. The anticipated actual expenditure as reported by the State Government is Rs. 28·5 crores. For 1958-59, an outlay of Rs. 29·68 crores has been approved. On this basis the expenditure on the State Plan in 1956-59 would be Rs. 76·16 crores leaving a balance of Rs. 114·73 crores to be incurred in the last two years of the Plan period.

(2) The following is a summary statement by major heads of development showing the Five Year Plan provision, progress of expenditure in 1956-58 and the outlay agreed for 1958-59.

Head of Development	Plan Provision 1956—61	1956-57 Actuals	1957-58 Revised Estimates	1957-58 Anticipated Actuals	1958-59 Outlay Agreed	Total 1956-59 Col 3. +5+6	Col. 7 as % of Col. 2
1	2	3	4	5	6	7	8
Agriculture & allied Subjects	35·38	2·95	5·42	9·35	6·02		
C.D. & N.E.S.	15·11	2·60	3·29		3·29	24·21	48·0
Multipurpose projects	21·39	3·40	5·50	10·50	5·50	29·63	45·6
Irrigation	19·31	1·09	1·52		1·00		
Power	24·20	2·34	6·00		5·80		
Industry	10·53	0·30	0·98	1·03	0·91	2·24	21·3
Transport	13·00	1·68	2·60	2·31	1·50	5·49	42·2
Social Services							
Education	20·53	1·44	2·73	2·21	2·20	5·85	28·5
Health	14·33	1·18	1·60	1·42	1·40	4.00	27·9
Housing	4·50	0·60	0·61	0·51	0·50	1·61	35·8
Welfare of Backward Classes	6·89	0·28	0·85	0·75	0·55	1·85	20·0
Social Welfare	1·10	0·04	0·18				

1	2	3	4	5	6	7	8
Labour Welfare	1·27	0·03	0·12		0·20		
(Social Services) Total	48·62	3·57	6·09	4·89	4·85	13·31	27·4
Total Miscellaneous	3·35	0·05	0·40	0·42	0·81	1·28	38·3
GRAND TOTAL	190·89	17·98	31·80	28·50	29·68	76·16	39·9

(3) It is apparent from the above statement that the percentage of fulfilment in terms of expenditure at the end of third year for the Plan as a whole, is about 40 of the five year outlay. It may be noted that the expenditure in the first year fell short because of difficulties due to State's reorganisation. In case of Industry, Education, Health, Housing, other Social Services and Miscellaneous this percentage is even less than the average percentage while in case of Agriculture and allied subjects, Irrigation and Power and Transport it is higher.

PROGRESS UNDER IMPORTANT SECTORS

3. (1) *Agricultural and Allied Subjects.*—The expenditure in the first three years is not very satisfactory being about only 48 per cent of the five year plan outlay.

The target of additional food production was fixed at 14·61 lakh tons for the reorganised State. As regards the achievement of production potential the position is as under:

Additional production potential of foodgrains*
(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·02	0·02
Minor Irrigation	0·07	0·19
Land Reclamation	0·15	0·29
Manures & Fertilisers	0·32	0·88
Seed Schemes	0·05	0·14
Improved Agricultural Practices	..	0·17
TOTAL	0·61	1·69

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*Estimated by Agriculture Division, Planning Commission; data subject to certain limitations.

The target proposed for 1958-59 is 2·43 lakh tons. Against the five year target of 14·61 lakh tons the anticipated achievement in the first three years is 4·73 lakhs, which is about 1/3. The marked shortfall in the achievement of the production potential is due to (i) delay in the setting up of seed farms, (ii) delay in the creation as well as non-utilisation of irrigation potential already created (iii) lack of adequate attention to the implementation of the programme of Green Manure and (iv) absence of a scheme for the development of local manurial resources. As regards Seed Farms against a five year target of 71 seed multiplication farms of 100 acres each only 3 were set up by the end of 1957-58. The target for 1958-59 is 37. The progress on seed farms has been slow due to difficulties in acquiring land. Regarding the distribution of improved seeds the Plan target is to cover 80 lakh acres of paddy land and 30 lakh acres of wheat land. The area covered so far is 18·32 lakh acres of paddy land and 17·84 lakh acres of wheat land. The target in respect of improved seeds would not be reached unless a scheme for multiplication of seed at the village level is prepared and implemented early. Against the five year target of 5·61 lakh acres to be covered by Green Manure, about 0·24 lakh acres have been covered during 1957-58. In 1958-59, 1630 tons are proposed to be distributed against 556 tons in 1957-58. The scheme for the development of local manurial resources has yet to be formulated.

(2) *Minor Irrigation.*—The expenditure during the first three years is satisfactory being about Rs. 4·70 crores against the five year outlay of Rs. 7·86 crores, which comes to about 60 per cent of the Plan outlay. Against the target of 7·75 lakh acres of additional irrigation, the achievement in 1956-57 and the anticipated achievement in 1957-58 are 0·25 lakh acres and 1·55 lakh acres respectively. The irrigation potential created upto 1957-58 through minor irrigation works executed by the Irrigation Department is 0·21 lakh acres against the total potential of 1·65 lakh acres. The actual irrigation in 1957-58 is only 0·14 lakh acres. Out of the total potential of 0·71 lakh acres created upto 1957-58 from schemes included both in the First and Second Plan, the actual utilisation in 1957-58 is 0·29 lakh acres.

(3) *Irrigation and Power: Chambal Project.*—The five year provision for the Chambal Project in Madhya Pradesh is Rs. 21·39 crores. The expenditure in the first three years is likely to be about Rs. 14·4 crores leaving a balance of about Rs. 7 crores to be spent in the last two years. The work on the project is in full swing; water is likely to be available from this project at the end of

Second Plan to about 1·2 lakh acres against the ultimate potential of 7 lakh acres.

Major and Medium Irrigation.—Against the five year provision of Rs. 19·31 crores the expenditure in the first three years is only 3·61 crores. Against a total target of 10·85 lakh acres of irrigation potential from schemes included in the Second Plan, the potential created upto 1957-58 is 0·11 lakh acres and actual irrigation in 1957-58 is 0·07 lakh acres. Out of schemes included in the First and Second Plans, the total potential created upto 1957-58 is 0·26 lakh acres and actual irrigation, in 1957-58 is 0·17 lakh acres. Recently the causes for the shortfall in the financial outlay on the Major Irrigation projects and the non-utilisation of irrigation potential created were examined and it was found that the survey and project preparation work has not yet been completed in respect of a large number of schemes included in the State Plan. Secondly there is an acute shortage of technical personnel to examine these schemes, prepare final projects and carry out the work. The State Government is trying to recruit suitable persons from other States particularly from U.P. The main factors for non-utilisation of irrigation potential are:—

(i) The people are not yet irrigation minded.

(ii) There are no water channels to take the water to the fields.

(iii) There is no law at present to make it compulsory for the peasants to construct the channels.

Effective steps are being taken to make the people irrigation minded. The proposal to amend the existing law to provide for the construction of water courses by Government and for recovery of the cost from the cultivators is under active consideration of the State Government.

Power.—On Electricity schemes (apart from Chambal) the expenditure in the first three years is about Rs. 14·4 crores against the five year provision of Rs. 24·2 crores leaving a balance of about Rs. 10 crores for the remaining two years. Against the five year target of increase in installed capacity by 2·18 lakh KW (including Chambal) it is expected that about 1·15 lakh KW would be added by the end of the current year. The actual utilisation is not known.

FINANCIAL RESOURCES

4. (1) The State's contribution towards the Plan outlay of Rs. 109·89 crores was estimated at Rs. 47·70 crores—23·3 lakhs on Revenue Account, and Rs. 24·4 crores on Capital Account. The gap between the Plan outlay and State's contribution was of about Rs. 143·19 crores. Since the scheme of financing the Second Plan included an uncovered gap of Rs. 400 crores to be covered by additional domestic resources, the State may be expected to contribute some additional resources for bridging the gap of Rs. 143·19 crores.

2. The outlay of Rs. 76·2 crores to be incurred in 1956—59 will be financed as under:—

(Rs. Crores)

	1956-57 Actuals	1957-58 Anticipated Actuals	1958-59 Agreed	1956—59 Total	Five-year Estimate(b) 1956—61
I. *Plan Outlay*	*18·0*	*28·5*	*29·7*	*76·2*	*190·89*
II. *States' contribution*					
A *Revenue Account*					
1. Balance from Revenue Account	(—)4·0	(—)0·4	0·8	(—)3·6	(—)3·4
2. Additional taxation	..	1·6	1·9 1·3 }(e)	4·8(d)	23·04
3. Share in additional Central taxation	..	1·4	1·9	3·3	3·7
	(—)4·0	2·6	5·9	4·5	23·3
B *Capital Account*					
1. Loans from Public	2·2	..	..	2·2	17·0
2. Share of small Savings	0·7	2·9	4·0	7·6	11·8
3. Unfunded debt and other receipts	(—)1·9	(—)2·3	(—)2·2	(—)6·4	(—)4·4
	1·0	0·6	1·8	3·4	24·4
TOTAL (A+B)	(—)3·0	3·2	7·7	7·9c	47·76
III. Central assistance	11·0	16·0	18·5(f)	45·5(c)	
IV. Gap in resources* (I+II+III)	10·0	9·3	3·5	22·8	

(b) These are tentative estimates as worked out in the Planning Commission for the reorganised State. It excludes State's share of additional taxation effort to bridge the gap of Rs. 400 crores in the National Plan.

(c) Based on the record of discussions of the Working Group on Resources for 1958-59.

(d) The expected yield over the five year period is Rs. 11·2 crores.

(e) From measures adopted in the previous years.

(f) Loans—Rs. 15·0 crores and Grants—Rs. 3·5 crores.

* Met by withdrawal from Reserves.

(3) From the above table, it would be seen that in the first three years a sum of Rs. 4·5 crores would be available on Revenue Account against the Five Year estimate of Rs. 23·3 crores. This takes into account the annual transfer of Rs. 5 crores under the Finance Commission's Award. A sum of Rs. 3·4 crores on Capital Account would be available in the first three years against the Five Year target of Rs. 24·4 crores. Central assistance as assumed by the Working Group on Financial Resources is Rs. 45·5 crores. As a result, there is a gap of Rs. 22·8 crores in the resources for the outlay of Rs. 76·2 crores in 1956—59, to be covered by withdrawal from reserves, liquidation of securities etc.

(4) Against the five year estimate of Rs. (—) 3·4 crores, the balance in revenue account in first three years comes to Rs. (—) 3·6 crores. If a sum of Rs. 10 crores transferred from the Centre under Finance Commission's Award is taken out, this figures will be reduced to Rs. (—) 13:6 crores. This indicates that the level of expenditure under non-developmental and developmental heads outside the Plan has gone up substantially.

(5) The yield from additional measures of taxation over the three year period is expected to be Rs. 4·8 crores and Rs. 11·2 crores over the five year period against the target of Rs. 23·0 crores. The shortfall in the expected yield from additional taxation during the Second Plan period is on account of the following factors:—

(i) Land Revenue and Irrigation Rates have not been raised as contemplated (Rs. 8·7 crores)*.

(ii) Against the five year target of Rs. 1·5 crores from collection of Betterment Levy, Rs. 10 lakhs have been budgeted for the current year.

(iii) Lesser receipts from Sales Tax on Motor Spirit and Motor Vehicles Taxation.

(6) Against the five year target of Rs. 17·0 crores from Loans from Public Rs. 2·2 crores have been raised so far.

(7) The five year target of State's share of the collection of Small Savings is Rs. 11·8 crores. The State's share in the first three years is likely to be about Rs. 7·6 crores. It may, however, be mentioned that the formula for calculating the State's share in respect of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

(8) There has been considerable outgo under unfunded debt and other capital receipts.

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*For the former States of Madhya Pradesh and Madhya Bharat.

(9) Central assistance sanctioned/disbursed in 1956-57 and 1957-58 is as under:—

(Rs. Crores)

	1956-57	1957-58
Loans	8·91	16·3
Grants	3·15	3·4
	12·06*	19·7

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*The State was affected by reorganisation; the figures of disbursement of Central assistance as obtained from Central Ministries are provisional in certain cases.

(7) MADRAS

PLAN OUTLAY

The outlay on the Second Five Year Plan of the State of Madras after reorganisation is Rs. 152·26 crores as under:—

	(Rs. crores)
Original ceiling of Madras Plan	173.06
Outlay deducted for transferring to Kerala, Mysore, Amindivi and other Islands	—24.70
Outlay added for areas transferred from Travancore-Cochin to Madras . .	+3.90
	152.26

PROGRESS OF EXPENDITURE

2. (1) The actual expenditure incurred in 1956-57 amounted to Rs. 28·02 crores. Against the agreed outlay of Rs. 32·02 crores for 1957-58, the State Government budgeted an outlay of Rs. 32·87 crores and have reported the revised estimate at Rs. 32·36 crores. For 1958-59, an outlay of Rs. 28 crores has been agreed to by the Planning Commission for category 'A' schemes and Rs. 2·46 crores for category 'B' schemes *i.e.*, a total outlay of Rs. 30·46 crores. On this basis the expenditure in the first three years would be Rs. 90·85 crores and this would involve a fulfilment of the Plan in terms of outlay to the extent of 60%. Depending on availability of resources, there should be no difficulty in expending the balance of outlay of Rs. 61·41 crores in the remaining two years 1959—61.

(2) The following is a summary statement by major heads of development of the five-year plan provision, progress of expenditure in 1956—58 and the outlay agreed for 1958-59:

(Rs. Crores)

Head 1	Plan provision 1956-61 2	1956-57 Actuals 3	1957-58 Revised Estimates 4	1958-59 Agreed Outlay 5	Total 1956—59 6	Col. 6 as Percentage of Col. 2 7
Agriculture & Allied Subjects . .	15.16	1.53	3.22	3.90	8.65	57
C.D. & N.E.S. .	13.92	2.23	2.18	2.31	6.72	48
Irrigation . .	12.23	3.96	2.87	1.51	8.34	68

1	2	3	4	5	6	7
Power	53.25	13.47	13.02	11.94	38.43	72
Industry	13.36	2.09	3.02	2.39	7.50	56
Transport	6.90	0.63	1.02	0.96	2.61	38
Social Services						
Education	11.54	0.80	2.70	2.85	6.35	55
Health	14.35	2.10	2.57	2.33	7.00	49
Housing	2.87	0.42	0.50	0.76	1.68	59
Welfare of Backward Classes	5.06	0.53	0.89	1.01	2.43	48
Social Welfare	0.75	0.02	0.01	0.05	0.08	10
Labour Welfare	0.59	0.01	0.07	0.12	0.20	33
Total (Social Services)	35.16	3.88	6.74	7.12	17.74	50
Miscellaneous	2.28	0.23	0.30	0.33	0.86	38
GRAND TOTAL	152.26	28.02	32.37	30.46	90.85	60

[N.B. The figures indicated in note budget 1958-59 are somewhat different]

(3) Though the total outlay in the first three years is estimated at 60%, the expenditure under the heads 'Transport', 'Social Welfare', 'Labour Welfare' and 'Miscellaneous' is less than 40%. The maximum expenditure is under 'Power' (72%) and 'Irrigation' (68%).

REVIEW OF IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The revised target of additional food production for the State was fixed at 13·7 lakh tons. The position in regard to achievement in the first two years is as under:

*Additional production potential for foodgrains**

(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0.06	0.30
Minor Irrigation	0.05	0.08
Land Reclamation	0.02	0.06
Manures and Fertilizers	2.17	1.49
Seed Schemes	0.02	0.64
Improved Agricultural Practices	..	1.09
TOTAL	2.32	3.66

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*Estimated by Agriculture Division, Planning Cmmission; data subject to certain Limitations.

The State had to set up 360 seed farms in the first three years. In 1956-57 and 1957-58 great difficulty was experienced in selecting sites because of non-availability and high price of land. It is expected that during 1957-58, 100 seed farms would start functioning. The achievement under the scheme of supply of improved seeds of paddy and millets was below expectations in the first year mainly due to the late starting of the seed farms. This has been improved in 1957-58. The progress under other schemes is appreciable.

(2) *Minor Irrigation.*—The expenditure during the first three years is satisfactory being about Rs. 222·8 lakhs against the five-year outlay of Rs. 331·1 lakhs. The achievement, however, is estimated at 25,000 acres for 1956-57 and 40,000 acres for 1957-58 against the five-year target of 5·05 lakh acres. The progress of Minor Irrigation Works was sought to be accelerated considerably during 1957-58 with the Centre agreeing to give additional assistance for these programmes.

(3) *Irrigation & Power.*—The Plan provision for Irrigation & Power projects is Rs. 65·48 crores *i.e.* about 43% of the total State Plan outlay. The expenditure in the first three years on Irrigation Projects would be Rs. 8·34 crores against the Plan outlay of Rs. 12·23 crores *i.e.* 68%. The Second Plan target for additional irrigation is 2·68 lakh acres. Irrigation potential created in the first year *i.e.* 1956-57 was 42,650 acres of new irrigation and 5,700 acres of existing area for stabilising irrigation supplies. The actual irrigation came to 18,289 acres of new area and 5,700 acres of existing area on which irrigation supplies have been stabilised. For 1957-58, the target was 43,680 acres of new area and 1,21,000 acres of existing area. The anticipated achievement is 1,20,000 acres of new and existing area. The target for 1958-59 is 40,600 acres of new area and 3,300 acres of existing area. The larger achievement in the early years of the Second Plan is mainly due to the fact that of the 13 Irrigation schemes taken up, 7 are continuing schemes and 6 of these have been completed. The rest also are Medium schemes and will be completed during the next two or three years.

Against the five-year provision of Rs. 53·25 crores for Electricity Projects, the expenditure in the first three years is estimated at Rs. 38·43 crores i.e. 72%. Against the five-year target of increase in the installed capacity to the extent of 2·8 lakh K.W., the target likely to be achieved during the first two years is nil. The target for 1958-59 is 1·35 lakh K.W.

FINANCIAL RESOURCES

4. (1) The following table brings out the picture of financial resources in some detail:

(Rs. crores)

	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	Total 1956—59	5 Year Estimate 1956—61*
1	2	3	4	5	6
I. *Plan outlay*	28.8	31.0	30.5	90.3	152.3
II. *State's Contribution*					
A. *Revenue Account*					
1. Balance from Revenue Account at 1955-56 level of taxation	0.2	—1.8	—2.7	—4.3	27.8
2. Additional Taxation .	0.6	1.5 0.6	2.0 2.9	7.6	12.6
3. Share of additional central taxation	**	1.3	1.8	3.1	5.0
TOTAL A	0.8	1.6	4.0	6.4	45.4
B. *Capital Account*					
1. Loans from Public . .	13.9	..	2.5	16.4	33.0
2. Share of Small Savings .	0.6	3.0	5.0	8.6	8.2
3. Unfunded debt and other miscellaneous receipts .	—8.2	—3.1	—2.4	—13.7	—8.1
TOTAL B	6.3	—0.1	5.1	11.3	33.1
TOTAL (A+B) . . .	7.1	1.5	9.1	17.7	78.5
III. *Central Assistance* .	13.6	13.6	18.0†	45.2	..
IV. *Gap in Resources* . . I—(II+III)	8.1	15.9	3.4	27.4	

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*These are tentative estimates worked out in the Planning Commission for the reganised State.

**Included under Balance from Revenue Account.

†Loans—Rs. 13.6 crores, Grants—Rs. 4.4 crores.

(2) The State's contribution towards the Plan outlay of Rs. 152·26 crores was estimated at Rs. 78·5 crores; Rs. 45·4 crores on Revenue Account and Rs. 33·1 crores on Capital Account. The gap between the Plan outlay and the State's contribution was about Rs. 73·8 crores. Since the scheme of financing the Second Plan included a gap of Rs. 400 crores to be covered by additional domestic resources, the State may be expected to contribute some additional resources for bridging the gap of Rs. 73·8 crores also. In the first three years, the State would contribute to the resources for the Plan a sum of Rs. 6·4 crores on Revenue Account against Rs. 45·4 crores for the

five years, Rs. 11·3 crores on Capital Account against Rs. 33·1 crores estimated for the Plan period and a sum of Rs. 27·4 crores from reserves and sale of securities etc. The Central assistance for the first three years as agreed to in the Working Group on Financial Resources comes to Rs. 45·2 crores. The figures of Central assistance collected from the Ministries recently in regard to actual releases in 1956-57 and releases or sanctions in 1957-58 are as follows:

		Loans	Grants
1956-57	Rs. 13·4 Crores	10·0	3·4
1957-58	Rs. 15·2 ,,	11·1	4·1
1958-59 (Agreed)	Rs. 18·0 ,,	13·6	4·4
	Rs. 46·6 ,,		

(3) Against the five-year estimate of Rs. 27·8 crores, the balance from Revenue Account in the first three years comes to (—)Rs. 4·3 crores. If a sum of Rs. 2 crores transferred from the Centre under the Finance Commission's Award is taken out, this figure will be further reduced to about (—)Rs. 6·3 crores.

(4) The original target of additional taxation for the five years was Rs. 12·6 crores. To this has to be added a certain unspecified amount to cover the gap of Rs. 400 crores referred to above. The likely achievement for the first three years is Rs. 7·6 crores. For the five-year period, the revenue from the additional measures of taxation adopted so far is estimated at Rs. 16 crores. An amount of Rs. 1·3 crores is estimated as yield from Betterment Levy during the three years 1958—61 as against the Plan target of Rs. 1·5 crores.

(5) The five-year target of the Loans from the public was Rs. 33 crores. An amount of Rs. 13·9 crores was raised in the first year, but no loan was raised in 1957-58. For 1958-59 the exact amount is not yet determined.

(6) The five-year target of the State's share of Small Savings was Rs. 3·2 crores. This is likely to be exceeded in the first three years for which the amount estimated is Rs. 8·6 crores. It may, however, be mentioned that the formula for calculating the State's share of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

5. The expenditure outside the plan in 1957-58 is estimated at about Rs. 1·2 crores. For 1958-59, the expenditure as reported by

the State Government is of the order of Rs. 254 lakhs and is a
follows:—

	(Rs. lakhs)
Revenue Account	
Assistance to Local Bodies	50
Taking over of District Board Roads	17
Other Grants-in-aid to District Boards and Local Bodies	64
Capital Account	
Road Transport Scheme	31
Outlay on other new non-Plan schemes	37
Loans for new non-Plan schemes (net)	55
TOTAL	254

(8) MYSORE

PLAN OUTLAY

The outlay on the Second Five Year Plan of Mysore after Reorganisation is Rs. 145·13 crores as detailed below:—

(Rs. crores)

	Plan 1956-61
Old Mysore	80.61
Coorg	3.75
Karnataka (Bombay)	36.47
Karnataka (Hyderabad)	18.62
South Kanara (Madras)	5.68
TOTAL	145.13

PROGRESS OF EXPENDITURE

2. (1) An amount of Rs. 13·12 crores was spent during 1956-57. Against the budgeted outlay of Rs. 28·03 crores for 1957-58, the preliminary revised estimates are placed at Rs. 24·60 crores. For 1958-59, an outlay of Rs. 23·22 crores has been agreed to by the Planning Commission. Assuming an actual expenditure of Rs. 20 crores in 1957-58 and Rs. 22 crores in 1958-59, the expenditure during the first three years of the Plan period would be about Rs. 55 crores or 40 per cent of the total Plan outlay. Programmes costing nearly Rs. 90 crores will be left for implementation during the last two years of the Plan period. The increased momentum gathered in the third year holds a prospect of a higher rate of expenditure in the last two years. About 75 per cent of the total outlay may be achieved by the end of the Plan period, if resources to that extent are forthcoming.

(2) The progress of expenditure under major heads of development for 1956-57 and 1957-58 and the agreed outlay for 1958-59 are indicated in the statement below:—

(Rs. crores)

Major Head	Plan Provision 1956-61	1956-57 Actuals	1957-58 Preliminary Revised Estimates	1958-59 Agreed Outlay*	Total 1956-59	Col. 6 as Percentage of Col. 2
1	2	3	4	5	6	7
Agriculture & Allied subjects	21.45	1.46	3.38	4.02	8.86	41
C.D. & N.E.S.	10.22	0.77	1.85	1.69	4.31	43
Irrigation	31.11	5.20	5.34	4.84	15.38	49

1	2	3	4	5	6	7
Power	*27.28	1.98	3.77	4.30	10·05	37
Industry	11.79	1.20	2.05	1.80	5·05	43
Transport	9.31	0.88	1.82	1.80	4·50	50
Social Services :						
Education	11.50	0.32	2.93	1.77	5·02	44
Health	13.69	0.51	2.31	1.70	4.52	33
Housing	4.19	0.47	0.50	0.55	1.52	37
Welfare of Backward Classes	3.02	0.29	0.38	0.47	1.14	38
Social Welfare	0.49	0.04	0.08	0.07	0·19	38
Labour & Labour Welfare	0.72	..	0·16	0·13	0·29	40
TOTAL (Social Services)	33.61	1.63	6.36	4.69	12.68	38
Miscellaneous	0.36	0.01	0.03	0.08	0.12	33
GRAND TOTAL	145.13	13.12	24.60	23.22	60.94	42

*An outlay of Rs. 26.85 crores has been budgeted during 1958-59.

(3) It will be noticed from the above statement that the progress of expenditure is above average under Transport, Education, Irrigation and C.D. & N.E.S. Under Power, Health and Housing, the progress is below par.

REVIEW OF IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The target of additional food-production during the Second Plan period for Mysore was fixed at 5·91 lakh tons. As regards the achievement of additional production potential for food grains, the position is indicated below:—

Additional production potential for foodgrains*

(Lakh tons)

Source	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·09	0·20
Minor Irrigation	0·05	0·08
Land Reclamation	..	0·03
Manures & Fertilizers	0·17	0·04
Seed Schemes	0·04	0·09
Improved Agricultural Practices	0·23	0·47
TOTAL	0·58	0·91

*Estimated by the Agriculture Division, Planning Commission; data subject to ertain limitations.

It is expected that with the gathering momentum of production, the Plan target will be reached in the last year.

For multiplication and distribution of improved seeds, the Plan envisages a target of 56 Seed Farms. 7 Seed Farms were opened in 1956-57 and 14 Farms in 1957-58. The remaining 35 Farms are proposed for 1958-59 thus achieving the entire Plan target within the first three years. The full effect of this on the supply of seeds will be felt in the last year. By the end of 1957-58 pure seed is expected to be available to 1·13 lakh acres. Two-thirds of the area under Cauvery Irrigation is using good seed.

As reported by the State Government an area of 3·8 lakh acres has been covered under manures and fertilizers during 1957-58. The target for 1958-59 is placed at 4·9 lakh acres. As against the target of 3 lakh acres to be covered by the Japanese method of paddy cultivation, an area of 2·1 lakh acres has already been achieved.

The State Government are now considering a scheme for additional production of paddy in the area under the Cauvery channels beyond the target of the additional production laid down for the State.

(2) *Minor Irrigation.*—Out of the five year provision of Rs. 4·5 crores, the expenditure in the first three years will amount to Rs. 1·8 crores, but the progress of actual irrigation from this source seems to be slow. It is found that out of the target of 3·15 lakh acres for the Plan period, only 23,000 acres have been irrigated during 1956-57 and 43,000 acres in 1957-58.

(3) *Irrigation.*—About 50 per cent of the total outlay of Rs. 31·11 crores for irrigation schemes would have been spent in the first three years of the Plan period. An area of 35,000 acres in 1956-57 and 82,000 acres in 1957-58 was actually irrigated. The target for 1958-59 is 141,000 acres. Under the Tungabhadra Project about 2 lakh acres are expected to get supply of water down to the field channels on the Raichur side and about 78.000 acres on the Bellary side during 1958-59. In the Tungabhadra area, the spread of actual irrigation is likely to gather increased momentum with the increased effort that is being made by the State Administration and the cultivators.

(4) *Power.*—As against the Plan provision of Rs. 27·28 crores, an expenditure of about Rs. 10 crores only would have been incurred in the first three years. 2,000 Kw in 1956-57 and 5,000 Kw in 1957-58 were generated from Bhadra and Mysore's share of Tungabhadra (Right Bank). The rate of progress in the execution of the Sheravati Hydro Electric Project and the Tungabhadra Hydro Electric Project (Left Bank) which account for over 60 per cent of the Plan

outlay has been slow owing to the restricted provision of funds for these schemes as a result of difficulties of finding foreign exchange. There is no doubt that the Department is capable of producing much higher progress if more funds are provided. There is a prospect of increased funds being provided for the Sheravati Project which has been given high priority.

FINANCIAL RESOURCES

4. (1) For financing the Plan outlay of Rs. 145·13 crores, the State's own resources are estimated at Rs. 50·1 crores—Rs. 4·9 crores on Revenue Account and Rs. 45·2 crores on Capital Account. This figure does not include the State's share of additional tax effort for bridging the gap of Rs. 400 crores in the Plan.

(2) The following table brings out the scheme of financing the Plan outlay for the first three years as agreed to during the Annual Plan 1958-59 discussions and the estimate for the five years:—

(Rs. crores)

	1956-57 Actuals	1957-58 likely Actuals	1958-59 Agreed	1956-59 Total	Five year Estimate* 1956-61
(1)	(2)	(3)	(4)	(5)	(6)
I. *Plan Outlay* . . .	*12·0@*	*20·0*	*23·2*	*55·2*	*145·1*
II. *State's Contribution*					
1. Balance from Revenue Account (at 55-56 rates of taxation) . . .	—2·0	0·6	..	—1·4	—6·7
2. Additional Taxation .	0·2	1·3	4·8	6·3	9·2
3. Share of additional Central taxation . .	..	1·0	1·3	2·3	2·4
A. *Revenue Account* .	(—) *1·8*	*2·9*	*6·1*	*7·2*	*4·9*
1. Loans from the public .	6·3	3·3	..	9·6	32·0
2. Share of Small savings .	0·4	1·5	3·7	5·6	9·7
3. Unfunded debt (net) .	0·6	0·6	0·6	1·8	4·8
4. Misc. Capital receipts .	—1·5	—10·0	—6·0	—17·5	—1·3
B. *Capital Account* .	5·8	—4·6	—1·7	—0·5	45·2
TOTAL (A & B) . .	4·0	—1·7	4·4	6·7	50·1
III. *Central Assistance* . .	7·0£	14·1£	13·3	34·4	..
*Gap in Resources**** I—(II & III) . . .	1·0	7·6	5·5	14·1	

@Rs. 13·1 crores as indicated in the progress of expenditure statement.

*Tentative estimate worked out in the Planning Commission for the reorganised Stat

***Met from reserves.

	Loans	Grants	Total
£ 1956-57 (Disbursements)	5·4	1·1	6·5
£ 1957-58 (Disbursements/sanctions)	13·5	2·4	15·9
1958-59 (Allotment)	10·2	3·0	13·2

(3) It will be seen from the above statement that in the first three years, the State would have contributed Rs. 7·2 crores on Revenue Account and Rs. 0·5 crores on Capital Account from its own normal budgetary resources. During these three years, the State Government would have withdrawn Rs. 14·1 crores from reserves of cash and security on the assumption of a Central Assistance amounting to Rs. 34·4 crores. The actual disbursements during the first two years and the allotment for 1958-59 being in all Rs. 33·55 crores, the withdrawal from reserves will be affected.

(4) As against (—)Rs. 6·7 crores of estimated balance from Revenue Account for five-years, the figure for three years amounts to (—)Rs. 1·4 crores. Due to the transfer of about Rs. 6 crores under the Finance Commission's Award, the State Government's contribution under this head has improved.

(5) As against the five-year target of Rs. 9 crores to be raised by additional taxation measures, the actual achievement during the first three years amounts to Rs. 4·8 crores *i.e.* Rs. 0·2 crores in 1956-57, Rs. 1·3 crores in 1957-58 and Rs. 3·3 crores in 1958-59. Most of the additional taxation measures so far implemented were introduced in 1957-58 and no fresh measures are introduced in 1958-59. On the basis of the expected realisation during 1958-59, an amount of Rs. 11·4 crores is expected during the five-year period from additional taxation.

(6) As against the five-year target of Rs. 32·0 crores and Rs. 9·7 crores under Loans from the public and share of Small Savings respectively indicated in the statement above, the State Government have estimated Rs. 16·5 crores for Loans from public and Rs. 12·5 crores for share of Small Savings. An amount of Rs. 9·6 crores from loans was collected during the first two years. Under Small Savings, a total of Rs. 5·6 crores is envisaged during the first three years. If the tempo of 1958-59 is kept up during the following years also, the five-year target for State's share of Small Savings will be exceeded. It may, however, be mentioned that the formula for calculating the State's share of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

(7) As against Rs. 34·4 crores under Central Assistance taken credit for during the Annual Plan (1958-59) discussions for financing the outlay during the first three years, the disbursements in 1956-57, the disbursements/sanctions in 1957-58 and the allotment in 1958-59 amount to Rs. 35·6 crores.

(8) It will be seen from the details of financing, that the contribution from Miscellaneous Capital Receipts indicates a large negative figure every year. This is mainly due to the outlay on non-Plan schemes.

(9) ORISSA

PLAN OUTLAY

The outlay on the Orissa State Plan is Rs. 99·97 crores including Rs. 16·12 crores for Hirakud Stage I, Rs. 11·88 crores for Chiplima Power House, and Rs. 12·35 crores for Mahanadi Delta Irrigation Project.

PROGRESS OF EXPENDITURE

2. (1) The actual expenditure in 1956-57 amounted to Rs. 16·76 crores. Against the agreed outlay of Rs. 19·10 crores for 1957-58, the State Government budgeted an outlay of Rs. 18·58 crores and have reported the preliminary revised estimates at Rs. 18·77 crores. For 1958-59 an outlay of Rs. 16·00 crores has been agreed to by the Planning Commission. On this basis, the expenditure in the first three years would be Rs. 51·53 crores which would mean a fulfilment of the Plan in terms of outlay to the extent of about 52%. The balance of outlay to be spent in the remaining two years of the Plan period amounts to Rs. 48·44 crores which would mean stepping up of the average annual rate of expenditure by about 30%. Depending upon the availability of resources, the Plan outlay may be realised.

(2) The following is a summary statement by major heads of development showing the five-year provision, the progress of expenditure in 1956—58 and the outlay agreed to for 1958-59.

(Rs. crores)

	Plan provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as percentage of Col. 2
1	2	3	4	5	6	7
Agricultre and allied subjects	8·95	1·16	2·13	2·18	5·47	61·1
C.D. & N.E.S.	5·99	1·29	2·01	1·94	5·24	87·5
Hirakud Stage I	16·12	6·98	4·80	2·00	13·78	51·4
Irrigation	18·05	0·51	1·46	1·70	3·67	
Power	17·90	2·51	3·34	3·50	9·35	
Industry	7·71	0·67	0·91	1·10	2·68	34·8
Roads & Road Transport	6·58	1·50	1·12	0·50	3·12	47·4
Social Services :						
Education	6·18	0·75	0·96	1·00	2·71	43·9
Health	3·80	0·25	0·51	0·60	1·36	35·8
Housing	0·95	0·08	0·15	0·19	0·42	44·2
Welfare of backward classes	3·80	0·54	0·61	0·71	1·86	50·0
Social Welfare	0·35	0·01	0·01	0·05	0·07	20·0
Labour & Labour Welfare	0·19	0·01	0·02	0·02	0·05	26·0
TOTAL (Social Services).	15·27	1·64	2·26	2·57	6·47	42·4
Miscellaneous	3·40	0·50	0·73	0·51	1·75	51·5
GRAND TOTAL	99·97	16·76	18·77	16·00	51·53	51·5

(3) The expenditure on Agriculture and allied subjects and Community Development which is about 61% and 88% respectively of the total outlay has been much ahead of schedule. The higher expenditure under the former is primarily accounted for by the establishment of seed farms, construction of buildings for the Bhubaneswar Agricultural College and minor irrigation works. The progress under other sectors of development like irrigation has comparatively lagged behind due to late finalization of schemes, lack of technical personnel particularly at lower levels, and shortage of key materials like steel, cement etc.

REVIEW OF IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The expenditure in the first three years amounts to Rs. 2·61 crores which is 80% of the Plan outlay. The target of additional food production for the Second Plan was fixed at 9·39 lakh tons. The State Government have, however, accepted a lower target of 7·52 lakh tons. As regards the achievement of additional production potential, the position is as under:

Additional production potential for food-grains**

(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·22	0·27
Minor Irrigation	0·02	0·05
Land Development	0·02	0·02
Manures & Fertilisers	0·22	0·17
Seed schemes	0·06	0·09
Improved-Agricultural practices	0·04	0·05
TOTAL	0·58	0·65

(2) Against the Plan target of 111 seed farms, in the first two years land has been acquired and taken possession of in respect of 23 farms* only, due to the procedural delay in acquiring land. So far no seeds have been produced in any of the new farms. The target for 1958-59 is 24 farms*. The area green manured in the State in 1956-57 on the basis of 1,453 maunds of seeds distributed,

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*Based on Adviser, Programme Administration's Tour report of 3-4.58.

**Estimated by Agriculture Division, Planning Commission; data subject to certain limitations was about 9,000 acres. It is anticipated that over a lakh acre will be green manured in the next kharif season. Satisfactory progress has also been made in evolving new cropping patterns and practising double cropping.

(3) *Minor Irrigation.*—The expenditure in the first three years amounts to Rs. 82·58 lakhs against the Plan outlay of about Rs. 90 lakhs. It is anticipated that about 0·37 lakh acres have been brought under irrigation as a result of the Minor Irrigation works during 1956—58 against the Second Plan target of 2·98 lakh acres. It appears that for want of technical personnel*, the ayacut survey of the area brought under irrigation as a result of the completion of First Plan schemes has not been taken up.

(4) *Major & Medium Irrigation.*—Against the Plan outlay of Rs. 34·17 crores (including Hirakud Stage I), the expenditure in the first three years amounts to Rs. 17·45 crores, including Rs. 13·78 crores on Hirakud Stage I. The estimated new irrigable commanded* area under Hirakud dam project is 6·72 lakh acres which has been recently revised by the State to 4·5 lakh acres. During the First Plan period, the additional area expected to receive irrigation was estimated at 2·61 lakh acres; but it could not materialise as the dam and the canals were not ready. The extra potential created in 1956-57 was about 90* thousand acres, while the total area irrigated was only 5,000* acres. In 1957-58, an area of 1·23* lakh acres received irrigation, in Sambalpur. The rephased programme envisages full development of the Kharif irrigation in 1959-60. Under Delta Irrigation project, no irrigation potential is likely to be created even by 1958-59. Under Medium Irrigation schemes, if the work had started according to schedule, some benefit would have accrued by 1958-59. Except certain preliminary works on Salandi and Salki projects, no work has been started on other projects which are at present in various stages of investigations.

(5) *Power.*—The expenditure in the first three years amounts to Rs. 9·35 crores against the Plan outlay of Rs. 17·90 crores including expenditure on Chiplima Power House scheme. There are three schemes for generation of power in the State Plan, namely, Hirakud Stage I, Chiplima Power House project and Machkund Hydel scheme. Others are power distribution schemes which are continuing from the First Plan. The total installed capacity created up to 1957-58 from Hirakud Stage I is 1,23,000 Kw. From Machkund Hydel Project (joint scheme between Orissa and Andhra Pradesh), the additional capacity installed in 1956-57 was about 5,000 Kw only.

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* Based on the tour report of Adviser, Programme Administration, dated 3-4-58.

Financial Resources

4. (1) The following statement indicates in some detail the resources for the Plan:—

(Rs. crores)

	Five year estimate 1956-61	1956-57 Actuals	1957-58 likely Actuals	1958-59 Agreed	Total 1956-59
I. *Plan Outlay* . . .	100·00	16·8	18·8	16·0	51·6
II. *State's contribution* . .					
A. *Revenue Account*: . .					
1. Balance from Revenue Account	(—) 7·6	(—) 2·1	1·3	1·4	
2. Additional taxation . .	8·0	..	0·5	0·7* 1·7	2·2
3. Share of additional Central Taxation . . .	2·4	0·1	0·5	0·7	1·3
Total A .	2·8	(—) 2·0	2·3	4·5*	4·8
B. *Capital Account*					
1. Loans from the Public .	5·1	3·1	..	..	3·1
2. Share of small savings .	2·5	0·4	1·5	1·3	3·2
3. Unfunded debt . .	0·6	0·2	0·3	0·4	0·9
4. Other Miscellaneous capital receipts . . .	(—) 0·4	(—) 0·7	0·8	(—) 2·7	(—) 2·6
Total B .	7·7	3·0	2·6	(—) 1·0	4·6
TOTAL (A & B) . . .	10·5	1·0	4·9	3·5*	9·4
III. *Central assistance* . .		12·7@	12·7@	12·5**	37·9
IV. *Gap in resources* I—(II & III)		3·1	1·2	..	..

(2) The State's contribution towards the Plan outlay of Rs. 100 crores was estimated at Rs. 10·5 crores: Rs. 2·8 crores on Revenue Account and Rs. 7·7 crores on Capital Account. The gap between the Plan outlay and the State's contribution was about Rs. 89 crores. Since the scheme of financing the Second Plan included a gap of Rs. 400 crores to be covered by additional domestic resources, the State Government may be expected to contribute some additional resources for bridging the gap of Rs. 89 crores.

(3) In the first three years, the State Government would have contributed to the resources for the Plan, a sum of Rs. 9·4 crores;

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*To be found by economy and/or additional taxation.

@The figures of Central assistance are those adopted in the Working Group on Financial Resources.

**Loans Rs. 10·1 crores, Grants Rs. 2·4 crores.

Rs. 4·8 crores on Revenue Account and Rs. 4·6 crores on Capital Account. With the estimated Central assistance at Rs. 47·3 crores, the gap in resources amounts to Rs. 4·3 crores which has been financed by the Orissa Government by Ways and Means advances and over-draft on the Reserve Bank.

(4) Against the five-year estimate of (—)Rs. 7·6 crores, the balance from Revenue Account in the first three years comes to Rs. 1·3 crores. This includes a transfer of Rs. 2·4 crores each year from 1957-58 under the Award of the Finance Commission. If a sum of Rs. 4·8 crores is taken out, the balance from Revenue Account will come down to (—)Rs. 3·5 crores.

(5) The original Plan target of additional taxation for five years was Rs. 8 crores. To this has to be added a certain unspecified amount to cover the gap of Rs. 400 crores referred to above. Recently the Orissa Government have revised the original target of additional taxation to Rs. 6·3 crores. The likely actual realization in the first three years will be Rs. 2·2 crores; the yield over the five-year period will be 11·7 crores. Legislation regarding Betterment levy has been enacted and some collections are estimated from 1959-60 onwards. No firm estimates are yet available; rough estimates of yield in 1959-60 from areas benefited in 1957-58 from Hirakud Project are however placed at Rs. 3·5 lakhs.

(6) Against the five-year target of Rs. 7·5 crores under Public Loans (Rs. 5·0 crores) and share of Small Savings (Rs. 2·5 crores), the amount realised in the first three years would be Rs. 6·3 crores—Rs. 3·1 crores from Public Loans and Rs. 3:2 crores as share of Small Savings. It may, however, be mentioned that the formula for calculating the State's share in respect of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

CENTRAL ASSISTANCE

5. In 1956-57 the Central assistance disbursed amounts to Rs. 13·5 crores—Rs. 11·9 crores as loans and Rs. 1·6 crores as grants. In 1957-58, against the allotment of Rs. 12·7 crores, the amount disbursed/sanctioned is Rs. 13·1 crores—Rs. 11·4 crores as loans and Rs. 1·7 crores as grants.

(10) PUNJAB

PLAN OUTLAY

The outlay on the Punjab State Plan after reorganisation of States is Rs. 162·68 crores as under:—

	Rs. crores.
(1) Punjab	126·35
(2) Pepsu	36·35
TOTAL :	162·68

PROGRESS OF EXPENDITURE

2. (1) The actual expenditure in 1956-57 amounted to Rs. 24·06 crores. Against the agreed outlay of Rs. 34·75 crores for 1957-58, the State Government budgeted an outlay of Rs. 35·26 crores and have reported the preliminary revised estimate at Rs. 33·92 crores. For 1958-59, an outlay of Rs. 33·78 crores has been agreed to by the Planning Commission. On this basis the expenditure in the first three years would be about Rs. 92 crores and this would involve a fulfilment of the Plan in terms of outlay to the extent of over 56%. Depending on availability of resources, there should be no difficulty in expending the balance of outlay of about Rs. 71 crores in the remaining two years 1959—61.

(2) The following is a summary statement by major heads of development of the five year plan provision, progress of expenditure in 1956—58 and the outlay agreed to for 1958-59:—

(Rs. Crores)

Head of Development	Plan provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as % of Col. 2
1	2	3	4	5	6	7
Agriculture & allied subjects . .	19·03	2·22	4·48	3·64	10·54	55·4
C.D. & N.E.S. .	11·00	1·46	1·73	1·76	4·95	45·00
Multipurpose Projects	45·27	9·33	12·35*	12·25	33·93	74·9
Irrigaton . .	12·43	1·73	3·56*	3·47	8·76	70·5
Power . . .	14·50	2·84	3·00*	2·50	8·34	57·5
Industry . .	9·21	1·02	0·76	1·02	2·83	30·7
Transport . .	11·18	1·41	2·07	1·89	5·37	48·0
Social Services						
Education . .	14·85	0·88	1·20	1·99	4·06	27·3
Health . . .	9·64	0·40	0·88	1·45	2·73	28·3
Housing . .	4·66	0·96	0·80	0·85	2·61	56·0
Welfare of Backward classes . .	2·79	0·38	0·50	0·47	1·38	49·4
Social Welfare .	0·66	0·05	0·09	0·11	0·25	37·9
Labour Welfare .	1·21	0·02	0·15	0·19	0·36	29·7
Total (Social Services)	33·81	2·69	3·65	5·05	11·39	33·7
Miscellaneous .	6·25	1·36	2·30	2·00	5·66	90·6
GRAND TOTAL :	162·68	24·06	33·92	33·78	91·77	56·4

*Provisional

It is apparent from the above statement that under heads: 'Industry', 'Education', 'Health' and 'Labour Welfare' expenditure in the first three years is only about 30% or below of the total outlay for the five years. In the case of 'Education', however, it has to be remembered that in Punjab considerable expenditure is taking place on schemes outside the Plan.

REVIEW OF IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The revised target of additional food production for the State was fixed at 14·4 lakh tons. As regards the achievement of additional production potential the position is as under:—

Additional Production Potential for Foodgrains*

(Lakh Tons)

	1956-57 Achievement	1957-58 Anticipated Achievement
Major Irrigation	0·47	0·63
Minor Irrigation	0·05	0·14
Land Reclamation	0·22	0·14
Manures & Fertilisers	0·13	0·12
Seed Schemes	..	..
Improved Agricultural practices	0·43	0·50
TOTAL :	1·31	1·53

The target for 1958-59 is 3·3 lakh tons. Even if this is fully achieved, the progress of additional food production will be slow. The State had to set up 228 seed farms in the first three years. This is not likely to be achieved even in four years because a large number of farms shown to have been set up during 1957-58 have yet to be developed although land for them was purchased in March, 1958. As regards the consumption of ammonium sulphate and superphosphotic fertilisers, against a five year target of 1·92 lakh tons, over 1 lakh tons is expected to be distributed by the end of the current year. The programme of green manuring is also proceeding slowly.

(2) *Minor Irrigation.*—The expenditure during the first three years is satisfactory being about Rs. 34·79 lakhs against the five year outlay of Rs. 498·5 lakhs. Against the five year target of 4·85 lakh acres to be irrigated, the achievement in 1956-57 is 0·04 lakh acres and the anticipated achievement in 1957-58 is 1·19 lakh acres. Tube-

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* Estimated by Agriculture Division, Planning Common; data subject to certain limitations.

wells alone have created irrigation potential of about 2·75 lakh acres. The area irrigated by these tubewells during 1957-58 was only 27,000 acres.

(3) *Bhakra Nangal Project.*—Of the total provision of Rs. 72·2 crores for Irrigation and Power Projects, an amount of Rs. 45·27 crores is for Bhakra-Nangal Project. The expenditure on this Project in the first three years will be about Rs. 34 crores and the entire provision is likely to be spent in the fourth year of the Plan. The work on canals has been completed and partial storage in the reservoir will take place during this year. About 35% of the field channels have not been constructed at present, although water during kharif has also become available. Two generating sets with installed capacity of 48,000 Kw have been installed and arrangements are being made to instal 5 more sets with a total installed capacity of 4,50,000 Kw.

(4) *Major & Medium Irrigation.*—As regards other Irrigation Projects, the expenditure in the first three years would be Rs. 8·8 crores against the Plan outlay of Rs. 12·43 crores. Additional area irrigated by the Irrigation Projects including the Bhakra-Nangal Project in the first two years comes to about 4·4 lakh acres and this is likely to be 10·7 lakh acres in the current year. In 3 years the additional area under irrigation is expected to be 15·1 lakh acres against the five year target of 25·12 lakh acres.

(5) *Power.*—Against the five year provision of Rs. 14·49 crores for electricity projects excluding the electricity portion of Bhakra-Nangal Project, the expenditure in the first three years is estimated at Rs. 8·34 crores. Against the five year target of increase in the installed capacity to the extent of 5·46 lakh Kw inclusive of the target on account of Bhakra-Nangal Project, the target likely to be achieved in the first 3 years is 48,000 Kw from Bhakra-Nangal Project in 1956-57.

FINANCIAL RESOURCES

4. (1) The State's contribution towards the Plan outlay of Rs. 162·68 crores was estimated at Rs. 46·7 crores, Rs. 29·9 crores on Revenue Account and Rs. 16·8 crores on Capital Account. The gap between the Plan outlay and the State's contribution was of about Rs. 116 crores. Since the scheme of financing the Second Plan included an unspecified gap of Rs. 400 crores to be covered by additional domestic resources, the State may be expected to contribute some additional resources for bridging the gap of Rs. 116 crores also.

(2) The following table brings out the picture of financial resources in some detail:—

(Rs. crores)

	1956-57 Actuals	1957-58 likely Actuals	1958-59 Agreed	1956-59 Total	Five Year estimate 1956—61
1	2	3	4	5	6
I. *Plan Outlay* . . .	*24·1*	*34·0*	*33·8*	*91·9*	*162·7*
II. *State's contribution.*					
(A) *Revenue Account*					
1. Balance from Revenue Account . . .	0·6	4·3	—2·8	2·1	4·3
2. Additional taxation . .	0·6	1·5	5·1@	7·2	23·0
3. Share of additional Central taxation . . .	(b)	1·0	1·5	2·5	2·6
Total A	*1·2*	*6·8*	*3·8*	*11·8*	*29·9*
(B) *Capital Account*					
1. Loans from the Public .	2·1	..	..	2·1	5·0
2. Share in Small Savings .	2·2	5·5	5·0	12·7	12·5
3. Unfunded debt & other capital receipts . .	(b)	*0·8*	*1·2*	*2·0*	(—) *0·7*
Total B	4·3	6·3	6·2	16·8	16·8
TOTAL (*A* + *B*) . .	5·5	13·1	10·0	28·6	46·7
III. Central assistance(c) .	15·0	17·3	16·0(e)	48·3	
V. Gap in Resources(d) I—(II+III)	3·6	3·6	7·8	15·0	

(@) Rs. 4·5 crores on the basis of budget proposals for 1958-59.

(*b*) Included under Balance from Revenue Account.

(*c*) Based on the discussion of the Working Group on Financial Resources for 1958-59

(*d*) Met from cash balances, sale of securities etc.

(e) Loans —Rs. 12·9 crores, Grants—Rs. 3·1 crores.

(3) It would appear from the above statement that in the first three years, the State would have contributed to the resources for the Plan a sum of Rs. 11·8 crores on Revenue Account against Rs. 29·9 crores for the five years, Rs. 16·8 crores on Capital Account against the same amount as estimated for the Plan and a sum of Rs. 15·0 crores from cash reserves and sale of securities etc. It must, however, be borne in mind that the amount of Rs. 11·8 crores includes a sum of Rs. 3 crores which has come to the State as a result of the Award of the Finance Commission. The Central Assistance for the first three years comes to Rs. 48·3 crores.

(4) Against the five year estimate of Rs. 4·3 crores, the balance from Revenue Account in the first three years comes to Rs. 2·1 crores. If a sum of Rs. 3 crores transferred from the Centre under the Finance Commission's Award is taken out, this figure will come round to about (—)Rs. 1 crore.

(5) The original target of additional taxation for the five years was Rs. 23 crores. To this has to be added a certain unspecified amount to cover the gap of Rs. 400 crores referred to above. The likely achievement for the first three years is Rs. 6·6 crores. For the five year period, the revenue from the additional measures of taxation adopted so far is estimated at Rs. 15·6 crores. Betterment levy was expected to yield Rs. 5 crores from Irrigation projects other than Bhakra-Nangal and Rs. 25:5 crores from Bhakra-Nangal. These estimates are likely to be completely falsified.

(6) The five year target of the loans from the public was Rs. 5 crores. Only Rs. 2·1 crores have been raised so far in the first year.

(7) The five year target of State's share in collection of Small Savings was Rs. 12·5 crores. This is likely to be exceeded in the first three years. The total excess for the Plan period may be of the order of Rs. 10 to Rs. 11 crores. It may, however, be mentioned that the formula for calculating the State's share in respect of Small Savings was liberalised in favour of the States in 1957-58 with continuing effect.

(8) The amount of Central assistance released by the Ministries in 1956-57 and 1957-58 is as under:—

(Rs. Crores)

	Loans	Grants	Total
1956-57	14·8	1·7	16·5
1957-58	17·5	1·8	19·3

5. The order of non-plan expenditure in 1957-58 was Rs. 1·5 crores but it is likely to be Rs 6·2 crores in 1958-59 on two new education schemes, (i) provincialisation of local bodies schools and (ii) introduction of free education. These two schemes are likely to make big inroads into available resources of the State for purposes of the Plan.

(11) RAJASTHAN

PLAN OUTLAY

The total outlay on the Second Five Year Plan of the State of Rajasthan after reorganisation is Rs. 105·27 crores.

PROGRESS OF EXPENDITURE

2. (1) The actual expenditure incurred in 1956-57 amounted to Rs. 13·44 crores. Against the agreed outlay of Rs. 21·00 crores for 1957-58, the State Government budgeted an outlay of Rs. 22·18 crores and have reported the revised estimates at 18·09 crores. For 1958-59, an outlay of Rs. 20·66 crores has been agreed to by the Planning Commission. On this basis the expenditure in the first three years would be Rs. 52·19 crores and this would involve a fulfilment of the Plan in terms of outlay to the extent of about 50 per cent. Depending on availability of resources, there should not be much difficulty in expending the balance of outlay of Rs. 53·08 crores in the remaining two years 1959-61.

(2) The following is a summary statement by major heads of development of the five-year plan provision, progress of expenditure in 1956—58 and the outlay agreed for 1958-59:

(Rs. crores)

Head	Plan provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as % of Col. 2
1	2	3	4	5	6	7
Agriculture and allied subjects	12·77	0·96	2·26	2·59	5·81	45
C.D. & N.E.S. .	6·75	1·52	1·82	1·84	5·18	77
Multipurpose Projects . . .	24·97	4·83	5·13	6·00	15·96	64
Irrigation . .	11·74	1·12	1·05	1·20	3·37	29
Power . .	8·65	0·50	1·16	2·28	3·94	46
Industry . .	6·04	0·24	0·74	0·76	1·74	29
Transport . .	9·42	1·24	1·77	1·63	4·64	49
Social Services:						
Education . .	10·56	0·84	1·84	1·90	4·58	43
Health . . .	7·39	1·15	1·24	1·16	3·55	48
Housing . .	2·64	0·78	0·39	0·46	1·63	62
Welfare of Backward classes .	2·28	0·20	0·33	0·38	0·91	40
Social Welfare .	0·43	0·01	0·06	0·06	0·13	30
Labour & Labour Welfare . .	0·62	0·02	0·11	0·15	0·28	45
Total (Social Services) . . .	*23·92*	*3·00*	*3·97*	*4·11*	*11·08*	*46*
Miscellaneous .	1·01	0·03	0·19	0·25	0·47	47
GRAND TOTAL .	105·27	13·44	18·09	20·66	52·19	50

Though the total outlay in the first three years is estimated at 50%, the expenditure under the heads 'Irrigation', 'Industry', 'Welfare of Backward Classes' and 'Social Welfare' is 29 to 40% only. The maximum expenditure is under 'Community Development and National Extension Service' (77%), 'Multipurpose Projects' (64%) and 'Housing' (62%).

REVIEW OF IMPORTANT SECTORS

3. (1) *Agricultural Production.*—The revised target for additional food production for the State was fixed at 8·07 lakh tons. The position regarding achievement for 1956-57 and anticipated achievement for 1957-58 is indicated in the table below:

Additional production potential for foodgrains*

(Lakh tons)

	1956-57 achievement	1957-58 Anticipated achievement
Major Irrigation	0·06	0·23
Minor Irrigation	0·11	0·14
Land Reclamation	0·04	0·03
Manures & Fertilizers	0·09	0·18
Seed schemes	0·09	0·01
Improved Agricultural Practices	0·09	0·20
TOTAL	0·48	0·79

The programme of Minor Irrigation works, establishment of Seed Farms, Consolidation of Holdings and Co-operation is not progressing according to schedule. The establishment of Seed Farms has been impeded due to difficulty in acquiring land on account of high prices. Against the Plan target of 166 Seed Farms, only 2 have been established in 1956-57 and 15 in 1957-58. 23 Seed Farms are proposed to be started in 1958-59. Thus, the progress is much behind the Plan target.

(2) *Minor Irrigation.*—The five-year plan target for Minor Irrigation for the State was 205,000 acres. As against this, the achievement is estimated at 58,000 acres for 1956-57 and 70,000 acres for 1957-58.

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*Estimated by Agriculture Division, Planning Commission; data subject to certain limitations.

(3) *Irrigation & Power.*—The Plan provision for Irrigation & Power projects is Rs. 45·36 crores *i.e.* about 43% of the total State Plan outlay.

Multi-purpose Projects. The expenditure in the first three years on multi-purpose projects (Chambal and Bhakra Nangal) is Rs. 15·95 crores against the Plan outlay of Rs. 24·97 crores *i.e.,* 64 per cent. The total provision for Bhakra Nangal project for works in Rajasthan and the share of common works is Rs. 5·63 crores. The expenditure in 1956-57 and 1957-58 on this project is Rs. 2·33 crores and Rs. 3·0 crores respectively. For 1958-59 an outlay of Rs. 3·3 crores is agreed. For Chambal project, the five year provision is Rs. 8·0 crores. The expenditure in 1956-57, and 1957-58 is Rs. 2·58 crores and Rs. 2·62 crores respectively. An expenditure of Rs. 2·7 crores is proposed on this project for 1958-59. The shortfall in expenditure is accounted for mainly by Chambal Hydel Scheme and Bhakra Hydro-Electric Project.

(4) *Irrigation.*—The expenditure in the first three years on Irrigation projects would be Rs. 3·38 crores against the five year outlay of Rs. 11·74 crores *i.e.* 28%. The Second Plan target for additional irrigation is 9,63,000 acres. Irrigation achieved in the first year *i.e.* 1956-57 was 22,000 acres. For 1957-58, the expected achievement is 94,000 acres. The target for 1958-59 is 1,52,000 acres. There has been delay in the realisation of irrigation benefits from certain schemes due to various reasons, namely, delay in completion of construction work on the tanks or the canals, in the construction of railway crossings and in rock cutting in the canal system, and in construction of field channels. In some cases delay has been in respect of certain areas belonging to Government which have yet to be sold and colonised.

(5) *Power.*—Against the five-year provision of Rs. 8·65 crores for Electricity projects, the expenditure in the first three years is estimated at Rs. 3.94 crores *i.e.,* about 46%. Against the five-year target of increase in the installed capacity to the extent of 29,500 K.W., the target likely to be achieved during the first year is 2500 K.W. and nil in 1957-58. The target for 1958-59 is 6,000 K.W.

FINANCIAL RESOURCES

4. (1) The State's contribution towards the Plan outlay of Rs. 105·3 crores was estimated at Rs. 27·4 crores Rs. (—) 1·2 crores on Revenue Account and Rs. 28·6 crores on Capital Account. The gap between the Plan outlay and the State's contribution was about Rs. 77·9 crores. Since the scheme of financing the Second Plan

included a gap of Rs. 400 crores to be covered by additional domestic resources the State may be expected to contribute some additional resources for bridging the gap of Rs. 77·9 crores. In the first three years, the State would contribute to the resources for the Plan a sum of Rs. 5·2 crores on Revenue Account against Rs. (—) 1·2 crores for the five years, Rs. 7·1 crores on Capital Account against Rs. 28·6 crores estimated for the Plan period and a sum of Rs. 4·0 crores from cash reserves and sale of securities etc. It may be mentioned that the balance from Revenue Account of Rs. 5·2 crores is available after taking into account the gain from the Finance Commission's Award of the order of about Rs. 6 crores.

(2) The following table brings out the picture of financial resources in some detail:

(Rs. Crores)

	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	Total 1956-59	**Five-year estimate 1956-61
I. *Plan Outlay* . . .	*13·7*	*17·5*	*20·5*	*51·7*	*105·3*
II. *State's Contribution*					
(A) *Revenue Account*					
1. Balance from Revenue Account . . .	(—)3·5	0·8	2·7	..	(—)12·6
2. Additional Taxation .	0·8	1·0 0·8	0·8 1·8	5·2	9·0
3. Share in additional Central taxation . .	*	*	*	*	2·4
TOTAL A	(—)*2·7*	*2·6*	*5·3*	*5·2*	(—)*1·2*
(B) *Capital Account*					
1. Loans from Public .	3·1	..	4·5	10·6	15·0
2. Share of Small Savings.	0·5	2·5			7·3
3. Unfunded debt and other miscellaneous receipts	(—)2·5	0·5	(—)1·5	(—)3·5	6·3
TOTAL B	*1·1*	*3·0*	*3·0*	*7·1*	*28·6*
TOTAL (*A*+*B*) . .	(—)*1·6*	*5·6*	*8·3*	*12·3*	*27·4*
III. *Central Assistance (a)* .	*10·7*	*12·5*	*12·2*(*b*)	*35·4*	
IV. *Gap in Resources* . . I—(II+III)	*4·6*	(—)*0·6*	*Nil*	*4·0*	

**These are tentative estimates worked out in the Planning Commission for the reorganised State.

(*a*) The figures for 1956-57 and 1957-58 are based on the estimates agreed in Working Group on Financial Resources.

*Included under Balance from Revenue Account.

(*b*) Loans—Rs. 9·75 crores, grants—Rs. 2·35 crores.

(3) Against the five year estimate of Rs. (—)12:6 crores, the balance from Revenue Account in the first three years comes to nil. If the sum of Rs. 6 crores transferred from the Centre under the Finance Commission's Award is taken out, this figure will be Rs. (—)6 crores.

(4) The original target of additional taxation for the five years was Rs. 9 crores. To this has to be added a certain unspecified amount to cover the gap of Rs. 400 crores referred to above. The likely achievement for the first three years is Rs. 5·2 crores. For the five-year period the revenue from the additional measures of taxation adopted so far is estimated at Rs. 10·4 crores.

Against the five-year target of Rs. 1·3 crores under Betterment Levy, although as provided under the law various Boards have been constituted for districts, in the matter of actual assessment no progress has been made.

(5) The five-year target of loans from the public was Rs. 15·0 crores. The amount raised in the first year was Rs. 3·1 crores and nil in 1957-58. The budget provides an amount of Rs. 2·5 crores to be raised in 1958-59.

(6) The five-year target of the State's share of Small Savings collections was Rs. 7·3 crores. The likely achievement in the first three years is Rs. 5 crores including Rs. 2 crores budgeted for 1958-59. It may be mentioned in this connection that the formula for calculating the state's share of Small Savings collections was liberalised in favour of the States in 1957-58 with continuing effect.

(7) In regard to resources on Capital Account, the Rajasthan Government had been contemplating to raise resources through sale of property and of waste lands in project areas other than Bhakra. In 1958-59, this would secure about Rs. 0:5 crores. Another possibility of additional resources on Capital Account was on account of the willingness of some of the Jagirdars, receiving compensation, to utilise the proceeds of compensation for purchasing Government bonds. These two factors have been taken into account while estimating the figure under unfunded debt and other miscellaneous capital receipts.

CENTRAL ASSISTANCE

5. In 1956-57, Central assistance disbursed amounts to Rs. 6·5 crores (for Rajasthan State before reorganisation)—Rs. 5·2 crores

as loans and Rs. 1·3 crores as grants. In 1957-58, the amount disbursed/sanctioned is Rs. 9·3 crores—Rs. 7·4 crores as loans and Rs. 1·9 crores as grants. In 1958-59, the agreed Central assistance amounts to Rs. 12·2 crores—Rs. 9·8 crores as loans and Rs. 2·4 crores as grants.

(12) UTTAR PRADESH

PLAN OUTLAY

The outlay on the Second Five Year Plan of Uttar Pradesh is Rs. 253·10 crores. This State was not affected by reorganisation of States.

PROGRESS OF EXPENDITURE

2 (1) The actual expenditure in 1956-57 is Rs. 40·69 crores. Against the agreed outlay of Rs. 52·80 crores for 1957-58, State Government budgeted an outlay of Rs. 49·54 crores and have reported their preliminary revised estimates at Rs. 47·76 crores. An outlay of Rs. 46·66 crores has been agreed to for 1958-59. Assuming a shortfall of about Rs. 2 crores against the revised estimate for 1957-58 and full realisation of the approved outlay for 1958-59, the expenditure under the State Plan would be about Rs. 133 crores leaving a balance of Rs. 120 crores to be incurred in the last two years of the Plan period.

(2) The following is a summary statement by major heads of development of the five year plan provision, progress of expenditure in 1956—58, and the outlay agreed to for 1958-59:

(Rs. crores)

Head of Development	Plan provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as % of Col. 2
1	2	3	4	5	6	7
Agriculture and allied subjects	41·04	6·28	7·62	8·76	22·66	55·2
C.D. & N.E.S.	26·60	3·28	6·44	5·88	15·60	58·6
Irrigation	25·80	5·39	4·12	3·89	13·40	51·9
Power	54·62	12·36	12·11	11·12	35·59	65·2
Industry	16·43	2·04	3·29	2·53	7·86	47·8
Transport	17·00	3·53	2·95	2·90	9·38	55·2
Social Services						
Education	26·54	2·38	4·49	3·82	10·69	40·3
Health	24·23	1·73	3·05	2·89	7·67	31·7
Housing	10·45	2·47	1·66	2·06	6·19	59·2
Welfare of Backward Classes	4·75	0·94	1·09	0·95	2·98	62·7
Social Welfare	1·25	0·03	0·14	0·12	0·28	22·4
Labour Welfare	1·42	0·07	0·35	0·54	0·96	67·6
Total (Social Services)	68·64	7·62	10·78	10·38	28·77	41·9
Miscellaneous	2·97	0·19	0·45	0·53	1·18	39·7
Consolidation of Holdings	..	..	..	0·66	0·66	..
GRAND TOTAL	253·10	40·69	47·76	46·66*	135·11	53·4

*Under correspondence with the State Government.

It is apparent from the above statement that the percentage of fulfilment in terms of expenditure is less than 50 in respect of 'Industry', 'Education', 'Health', 'Social Welfare' and 'Miscellaneous' while for other heads it is more than 50. The percentage of achievement in terms of expenditure in the first three years for the Plan as a whole is 53·4.

REVIEW OF IMPORTANT SECTORS

3.(1) *Agricultural Production.*—The target of additional food production has been fixed at 24 lakh tons. As regards the achievement of production potential, the position is as under:—

Additional production potential for foodgrains*
(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·47	0·32
Minor Irrigation	0·50	0·76
Land Reclamation	0·02	0·16
Manures & Fertilizers	0·14	1·21
Seed Schemes	0·66	0·50
Improved Agricultural Practices	0·06	0·55
TOTAL	1·85	3·50

Out of the five year target of 876 seed farms, 436 have already been opened in the first two years and 254 farms are proposed for 1958-59. This would leave about 186 farms to be set up in 1959—61 period. Regarding seed stores, 824 seed stores are expected to be opened in the first three years against the plan target of 1274 seed stores. Against the five year target for distribution of 60 lakh maunds of improved seeds, 35 lakh maunds were distributed by the end of 1957-58 and during the current year 42·5 lakh maunds are proposed to be distributed. Against the five year target for distribution of 2·6 lakh tons of nitrogenous fertilizers, 1·8 lakh tons are proposed to be distributed by the end of the current year and under green manuring 8 lakh acres are likely to be covered during the current year against the five year target of 22·8 lakh acres.

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*Estimated by Agricultural Division, Planning Commission; data subject to certain limitations. Figures furnished by the State Govt. very recently are under examination.

(2) *Minor Irrigation.*—The expenditure during the first three years is satisfactory being about Rs. 897·49 lakhs against the five year outlay of Rs. 1134·88 lakhs. Total irrigation potential of all Minor Irrigation schemes included in the First and Second Plans is 23·66 lakh acres, out of which the potential created upto March 1956 is 12·42 lakh acres leaving a balance of 11·24 lakh acres to be created during the Second Plan period. The potential created in the first year of the Second Plan is 3·36 lakh acres which together with a target for 1957-58 of 6·02 lakh acres represents an achievement of 90% against the Second Plan target. The actual irrigation in 1957-58 is 9·87 lakh acres against the total potential of 21·80 lakh acres created upto March, 1958. The additional area under irrigation in 1956-57 and 1957-58 is 2·5 lakh acres and 3·84 lakh acres respectively. From tubewells completed since 1950, water for 12·05 lakh acres is available but actual irrigation upto January 1958 was 7·85 lakh acres *i.e.* to the extent of 60%.

(3) *Major & Medium Irrigation.*—Against the five year provision of Rs. 25·8 crores the expenditure in the first three years would be about Rs. 13·41 crores, *i.e.* a little over 50%. The total irrigation potential of schemes included in the First and Second Plans is 34·16 lakh acres out of which potential created upto March 1956 is 14·95 lakh acres leaving a balance of 19·21 lakh acres. The additional potential created in the first year of the Second Five Year Plan is 1·64 lakh acres which together with a target for 1957-58 of 8·85 lakh acres represents achievement of over 50%. The actual irrigation in 1957-58 is 10·81 lakh acres against the total irrigation potential created of 25·44 lakh acres. Additional area irrigated in 1956-57 and 1957-58 by works completed so far since 1951, is 2·48 lakh acres and 4·53 lakh acres respectively, but the additional area irrigated by the scheme included in the Second Plan is 2·46 lakh acres in 1956-57 and 3·68 lakh acres in 1957-58. It has been found that the lag in the utilisation of irrigation potential created is mainly on account of the following factors.

(1) Absence of field channels (only 50% of the total mileage of 20,000 for medium and major irrigation works have been completed);

(2) Lack of realisation on the part of the farmers about benefits of the use of water;

(3) Lack of proper crop pattern.

(4) *Power.*—Against the Five Year Plan provision of Rs. 54·6 crores the expenditure on electricity schemes in the first three years is likely to be about Rs. 35·6 crores *i.e.* about 2/3rd of the Plan outlay. Of this the expenditure on Rihand would be about Rs. 15 crores. The work on this project is in full swing and about 1·5 lakh K.W. of

electricity is expected to be generated during the Second Plan period against an ultimate target of 2·5 lakh K.W. As regards other electricity projects the expenditure will be about Rs. 20·6 crores in the first three years against the five year provision of Rs. 28·6 crores. Thus the major portion of the expenditure will have been incurred by the end of the current year. The addition to the installed capacity in the first two years is 0·69 lakh K.W. The five year target is 1·63 lakh K.W. (excluding 1·5 K.W. for Rihand).

FINANCIAL RESOURCES

4. (1) The State's contribution towards the Plan outlay of Rs. 253·1 crores was estimated at 114·2 crores; Rs. 53·7 crores on Revenue Account and Rs. 60·5 crores on Capital Account. The gap between the Plan outlay and State's contribution is about Rs. 138·9 crores. Since the scheme of financing the Plan includes a gap of Rs. 400 crores to be covered by additional domestic resources, the State may be expected to contribute some additional resources for bridging the gap of Rs. 138·9 crores.

The following table brings out the picture of financial resources in some detail.

(Rs. crores)

	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	1956-59 Total	1956-61 Five Year Estimate
I. *Plan Outlay* . . .	*40·7*	*50·5**	*46·6*	*137·8*	*253·1*
II. *State's Contributions*					
(*A*) *Revenue Account*					
1. Balance from Revenue Account . . .	2·7	—3·0	—3·6	—3·9	—2·6
2. Additional Taxation .	3·8	0·5 6·0 @	.. 7·0@	17·3**	46·0
3. Share in Additional central taxation . . .	..	3·1	4·3	7·4	10·3
TOTAL A	*6·5*	*6·6*	*7·7*	*20·8*	*53·7*
(*B*) *Capital Account*					
1. Loans from Public .	8·8	..	4·7	13·5	35·0
2. Share of Small Savings .	4·3	7·0	7·0	18·5	35·5
3. Unfunded debt and other receipts . .	—5·9	1·8	1·0	—6·7	—10·0
TOTAL B	*7·2*	*5·2*	*12·7*	*25·1*	*60·5*
TOTA (A+B) .	*13·7*	*11·8*	*20·4*	*45·9*†	*114·2*
III. *Central assistance*	*20·0*	*23·8*	*24·3*(b)	*68·1*	
IV. *Gap in Resources*‡ . . I—(II+III)	*7·0*	*12·2*	*1·9*	*21·1*	

@From measures adopted in previous years.

**Expected yield over the five year period is Rs. 31·3 crores.

†Based on the record of discussions of the Resources Working Group for 1958-59

* The difference of Rs. 2·7 crores between this figure and the figure shown in the statement on page 63 is on account of inclusion in the former of non-Plan expenditure of Rs. 1·9 crores and an expenditure of Rs. 80 lakhs on Scarcity Area Schemes.

‡Met from Reserves.

(b) Loans—Rs. 17·0 crores and Grants Rs. 7·3 crores.

(2) From the above table, it may be noted that in the first three years a sum of Rs. 20·8 crores has been made available on Revenue Account against the five year target of Rs. 53·7 crores and a sum of Rs. 25·1 crores has been raised on Capital Account against the five year target of Rs. 60·5 crores. Withdrawal from cash reserves over the three years has been of the order of Rs. 21·1 crores. The balance from Revenue Account takes account of the annual transfer of Rs. 2 crores under the Finance Commission's Award. The Central assistance for the same period amounts to Rs. 68·1 crores.

(3) Against the five year estimate of Rs. (—) 2:6 crores the balance from Revenue Account in the first three years comes to Rs. (—) 3·9 crores. If a sum of Rs. 4 crores transferred from the Centre under the Finance Commission's Award is taken out, this figure will come to about Rs. (—) 7·9 crores.

(4) The original target of taxation for the five year is Rs. 46·00 crores. A certain unspecified amount has to be added to this target to cover the gap of Rs. 400 crores in the National Plan. The likely achievement for the first three years is Rs. 17·3 crores. These measures are expected to yield over the five year period Rs. 31·3 crores. The shortfall in the expected yield during the Second Plan period from additional taxation is on account of lesser receipts to the extent of Rs. 12·2 crores from sales tax and non-realisation of betterment levy expected to yield Rs. 3 crores.

(5) The five year target of Loans from the public was Rs. 35·0 crores against which Rs. 13·5 crores were expected to be realised by the end of 1958-59.

(6) Against the target of Rs. 35·5 crores for State's share of Small Savings, the achievement by the end of 1958-59 is likely to be Rs. 18·3 crores and the five year target is likely to be realised. However, it may be mentioned that the formula for calculating the State's share of Small Savings collections was liberalised in favour of the States in 1957-58 with continuing effect.

(7) The amount of Central assistance released by the Ministries in 1956-57 and the amount sanctioned/disbursed in 1957-58 are as under:—

(Rs. crores)

	Loan	Grant	Total
1956-57	17·26	4·06	21·31
1957-58	18·00	6·54	24·54

(13) WEST BENGAL

PLAN OUTLAY

1. (1) The outlay on the State Plan of West Bengal is Rs. 157·67 crores, including an amount of Rs. 4 crores transferred from Bihar consequent on States' re-organisation.

PROGRESS OF EXPENDITURE

The actual expenditure in 1956-57 is Rs. 22·36 crores. Revised Estimates for 1957-58 amount to Rs. 31·63 crores and the approved Plan outlay for 1958-59 is Rs. 29·67 crores. On this basis the expenditure in the first three years amounts to Rs. 83·66 crores, leaving a balance of about Rs. 74 crores for the remaining two years. In terms of outlay, fulfilment of the Plan in the first three years comes to about 53 per cent. The following summary statement shows by major heads of development the plan provisions, the progress of expenditure in 1956—58 and the outlay agreed for 1958-59:—

(Rs. crores)

	Plan provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as percentage of Col. 2
1	2	3	4	5	6	7
Agriculture and allied subjects .	19·73	1·45	3·37	2·94	7·76	39·3
C.D. & N.E.S. .	14·67	1·54	1·74	1·88	5·16	35·2
D.V.C. . . .	17·26	5·37	5·50	5·20	16·07	73·6
Irrigation Projects .	8·49	1·57	2·48	1·0	5·0	
Power Projects .	4·99	0·55	0·56	0·36	1·47	
Industry . .	9·95	0·70	2·15	1·80	4·65	46·7
Transport . .	19·47	3·60	3·48	3·12	10·20	52·4
Social Services :						
Education . .	22·17	2·89	5·30	4·69	12·88	58·1
Health . . .	20·59	1·34	3·03	2·42	6·79	33·0
Housing . .	7·60	0·50	0·45	0·87	1·82	23·9
Welfare of Backward Classes .	1·84	0·18	0·30	0·28	0·76	41·4
Labour & Labour Welfare . .	1·33	..	0·05	0·08	0·13	9·8
Social Welfare .	0·22	0·03	0·04	0·21	0·28	127·2
Miscellaneous. .	0·16	0·03	0·05	0·03	0·11	68·8
Total (Social Services)	*53·91*	*4·97*	*9·22*	*8·58*	*22·77*	*42·2*
Miscellaneous .	9·20	2·61	3·13	4·77	10·51	..
GRAND TOTAL .	*157·67*	*22·36*	*31·63*	*29·67*	*83·66*	*53·1*

(2) The expenditure under Irrigation and Power (including D.V.C.) is much above the average rate, but the expenditure under Agriculture & allied subjects, Community Development and National Extension, Health, Housing and Other Social Services is very slow. In fact, the surrender of funds under Agriculture and Community Development in 1956-57 was about 40 per cent. In 1957-58 also there is shortfall in expenditure.

Under Miscellaneous the provision for the Durgapur Coke Oven Project was fully utilised by 1957-58 and an additional provision of over Rs. 3 crores has been made for this project in 1958-59.

REVIEW OF IMPORTANT SECTORS

2. (1) *Agricultural Production.*—The target of additional food production for the Second Plan was fixed at 9·32 lakh tons. As regards the achievement of additional production potential, the position is as under:

Additional production potential for food grains*

(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	0·12	0·40
Minor Irrigation	0·07	0·10
Land Development	0·09	0·03
Manures & Fertilizers	0·53	0·36
Seed Schemes	0·03	0·07
Improved Agricultural Practices	..	0·31
TOTAL	0·84	1·27

*Estimated by Agriculture Division, Planning Commission; data subject to certain limitations.

(2) *Seed Farms.*—Originally the State Government proposed to establish 200 multiplication farms and this was agreed to by the Planning Commission. In the latest returns,† the State Government have reduced the target to 100 farms. In 1956-57, no seed farm could be established due to difficulties in land acquisition. The target in 1957-58 was to set up 90 farms. By the beginning of March this year land was acquired for 88 farms and arrangements made for construc-

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†Based on the tour report of Adviser, Programme Administration dated 17-4-1958

tion of farm buildings, seed stores, sinking of tubewells, etc., for 39 During the last kharif season only 1000 maunds of paddy seeds were raised in 12 farms. In 1958-59, 10 more farms are proposed to be set up. These seed farms, when completed, are expected to raise 35,000 maunds of seeds. 25,250 maunds of paddy seeds were distributed in 1957-58.

(3) *Development of green manure and local manurial resources.*—1·07 lakh packets of Dhaincha seeds were distributed last year. During 1958-59 the number of packets will be raised to one million for kharif. A pilot scheme for utilisation of night soil has been sanctioned under which portable latrines have been started in 100 villages and a subsidy of Rs. 1,000 will be given to meet the cost.

(4) *Minor Irrigation.**—During the First Plan period though irrigation potential was developed for 4·65 lakh acres, only 2·39 lakh acres were actually irrigated. Against the Second Plan target of 3·85 lakh acres of additional irrigation, 35,000 acres received irrigation in 1956-57 and another 52,000 acres are likely to be irrigated in 1957-58.

Of the 20 Tubewells of Fulia, 5 were sunk in 1954, 1 in 1955 and the rest in 1956. The 1954 wells were energised in September, 1955 and even in these cases the channels were constructed between 1955 to 1957 and the necessary falls, culverts, etc. were completed only by May 1957. All incidental work in respect of the remaining 15 wells has been completed and energisation is expected shortly.

Of the 16 tubewells of Habra, three were sunk early in 1956 and the rest in March 1957. The construction of pump house has been completed in all cases and pumps have been installed in all except 2 cases. The leading channels have been completed in all except 3 cases. None of these tubewells has been energised. The completion of the tubewells has been very dilatory and there has been very little utilisation of the water from the wells already sunk.

(5) *Major and Medium Irrigation**—Under: this head there are three major schemes—Damodar Valley Corporation, Mayurakshi and Kangsabati. The target of additional irrigation under the Second Five Year Plan for major and medium schemes was fixed at 12·48 lakh acres. It is now expected that only 10·7 lakh acres will be irrigated during the Plan period.

(6) *Damodar Valley Corporation**.—The project report envisaged full development of irrigation of 8·4 lakh acres of kharif and 3 lakh acres of Rabi over and above 1·85 lakh acres already under irrigation to

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*Based on the tour report of Adviser, Programme Administration, dated 17-4-5 be reached in 1958-59; the expectations for 1957-58 were 7·98 lakh acres of Kharif and 2·5 lakh acres of Rabi. The area irrigable under the Second Plan was estimated at 7·5 lakh acres. The following indicates the potential created and utilisation of irrigation supplies:—

(1000 acres)

	Potential created	Actual irrigation	
1956-57 . . .	153	11·3	
1957-58 . . .	192	144	(including 66,000 acres under old Damodar canals)

It is now learnt that the target for Kharif irrigation will be reached by 1961-62 and Rabi by 1966-67. The lag in development of irrigation is due to:—

(i) gaps in canals, side slips, breaches due to floods and unwieldy size of blocks;

(ii) shortage of technical staff at the lower levels and paucity of construction materials.

(iii) There is no compulsory levy for utilisation of irrigation supplies.

Further, the State Government feels that the dual control in the management of canals and irrigation stands in the way of utilising the full potential. The Chairman of D.V.C. has been addressed by the Planning Commission very recently to intimate the steps the Corporation propose to take to expedite the completion of the canal system and construct additional distributaries and canals.

(7) *Mayurakshi project**.—The total irrigation potential of Mayurakshi project was estimated at 6 lakh acres, of which 4·2 lakh acres of additional irrigation would be available during the Second Plan period. The lag between the irrigation potential created and its utilisation, is indicated in the following statement·

(Lakh acres)

	Irrigable area as per project	Potential created	Area irrigated
1955-56	2·24	2·24	2·10
1956-57	4·25	2·83	2·45
1957-58	5·06	3·60	3·42

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*Based on the tour report of Adviser, Programme Administration, dated 17-4-58.

As against the target of 6 lakh acres originally envisaged for additional irrigation under this project, the area to be benefited is now placed at 4 lakh acres. It is, however, estimated that an additional expenditure of Rs. 1 crore might increase the area to 5·25* lakh acres.

(8) *Kangsabati project.*—The project has not yet been approved by the Technical Committee and about Rs. 5 crores have been provided in the Second Plan for this project costing Rs. 25·26 crores. Recently the economics of the scheme have been reviewed.

(9) *Power.*—In addition to the provision for the D.V.C. and the Jaldhaka Hydro-electric schemes, the Second Plan of the State provides for distribution schemes only. In respect of Jaldhaka hydro-electric scheme, a revised project report has been called for. Against the Second Plan target of 3·25 lakh K.W., the additional installed capacity will come to 1·0 lakh K.W. in the first three years on account of the D.V.C.

FINANCIAL RESOURCES

3. (1) The State's contribution towards the Plan outlay of Rs. 157·7 crores, was tentatively estimated in the Planning Commission at Rs. 71·8 crores—Rs. 14 crores on Revenue Account and Rs. 57·8 crores on Capital Account. The gap between the Plan outlay and the State's contribution was about Rs. 86 crores. Since the scheme of financing the Second Plan had a gap of Rs. 400 crores to be covered by additional efforts through taxation, borrowing and small savings by Centre and States, it is expected that the State would contribute some additional resources to bridge the gap of Rs. 86 crores.

(2) The following statement indicates the scheme of financing the State Plan outlay during 1956-59.

(Rs. crores)

	Five year estimate 1956-61	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	1956-59 Total
1	2	3	4	5	6
I. *Plan Outlay* . . .	*157·7*	*22·3*	*31·6*	*29·7*	*83·6*
II. *States Contribution*					
A. Revenue Account					
1. Balance from Revenue Account . . .	(—)6·6	(—)8·2	(—)2·8	(—)2·5	(—)13·5
2. Additional Taxation .	15·1	1·7	1·7	5·0	8·4
3. Share of additional Central taxation . . .	5·5	0·2†	1·3	1·8	3·3
	14·0	(—)6·3	0·2	4·3	(—)1·8

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*Based on the tour report of Adviser, Programme Administration, dated 17-4-58.

†Tentatively adopted in the absence of actuals.

1	2	3	4	5	6
B. Capital Account					
1. Loans from the Public .	36·0	7·1	..	..	7·1
2. Share of Small Savings .	28·0	2·6	7·5	6·6	16·7
3. Unfunded debt . .	2·5	0·7	0·7	0·8	2·2
4. Other Miscellaneous Capital Receipts . .	(—)8·7	1·8	0·4	(—)1·0	1·2
	57·8	12.2	8·6	6·4	27·2
TOTAL (A. & B.)	71·8†	5·9	8·8	10·7	25·4
III. Central assistance .		12·9*	18·1*	16·3**	47·3
IV. *Gap in resources.* I—(II & III) . .		3·5	4·7	2·7	10·9

(3) It will be seen from this statement that in financing the outlay of Rs. 83·6 crores during 1956-59, the State's contribution comes to Rs. 25·4 crores, of which Rs. 27·2 crores are on Capital Account and a negative contribution of Rs. 1·8 crores on Revenue Account. Besides, the State Government will contribute a further sum of Rs. 8·2 crores from its reserves. An additional amount of Rs. 2·7 crores will also have to be found in order to bridge the gap between the outlay now approved for 1958-59 and the outlay for which the scheme of finance was worked out in the Resources Working Group for the Annual Plan 1958-59. How this amount will be found and on which account, is not yet known. It may be noted that the State's contribution on Revenue Account is Rs. (—)1·8 crores in spite of a transfer of revenue resources amounting to Rs. 2·53 crores per year from 1957-58 onwards as a result of the Finance Commission's Award. A further sum of about Rs. 0·84 crore will be available to the State Government on account of railway fares. The deficit on Revenue Account is due to increase in the level of committed expenditure in both developmental and non-developmental heads. It may be noted that the balance from Revenue Account, including the gain due to Finance Commission's Award is Rs. (—)13·5 crores and the total resources on Revenue Account are Rs. (—)1·8 crores after taking into account about Rs. 8·4 crores raised through additional taxation and a little over Rs. 3 crores due to share of additional Central taxation. In other words, the increase in revenue resources due to taxation

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*The figures of Central assistance are those adopted in the Working Group on Financial Resources for 1958-59.

**Loans—Rs. 12·0 crores. ; Grants—Rs. 4·3 crores.

†As tentatively worked out in the Planning Commission, for the reorganised State.

has not been available for the Plan expenditure and unless measures are taken either by reducing expenditure outside the Plan and/or by raising further resources through taxation, the State's contribution on Revenue Account will lag far behind the target agreed to under the Plan. It may be noted that the State Government will also have to make its contribution towards bridging the gap on Revenue Account. The expected yield during five years through measures of additional taxation already imposed, comes to Rs. 12·9 crores. According to the later data available from the State Government, a larger yield over the three years on account of the measures of taxation already imposed, has been estimated. This is under examination. No collection has been made so far against the estimated target of Rs. 7 crores from Betterment Levy under the D.V.C. and the Mayurakshi.

(4) On Capital Account, the State's contribution in the three years comes to Rs. 27·2 crores against the five year estimate of Rs. 57·8 crores. Of this Rs. 7·1 crores were raised as Loans from the public in 1956-57 against the five year target of Rs. 36 crores. Against the five-year target of Rs. 28 crores, the State's contribution on account of its share of Small Savings is Rs. 16·7 crores in the three years. It may, however, be mentioned that the formula for calculating the State's share of Small Savings was liberalised in favour of the State's in 1957-58 with continuing effect.

CENTRAL ASSISTANCE

4. Figures now collected from the Ministries show that the Central assistance in 1956-57 amounts to Rs. 12·10 crores of which Rs. 9·61 crores are loans and Rs. 2·39 crores are grants. In 1957-58 the amount disbursed/sanctioned is Rs. 16·25 crores—Rs. 13·39 crores as loans and Rs. 2·86 crores as grants. The shortfall in Central assistance is on account of shortfall in expenditure under programmes for which there is a large measure of assistance particularly under Agriculture and allied subjects, Community Development & N.E.S., Housing etc.

(14) JAMMU & KASHMIR

PLAN OUTLAY

The total outlay on the Second Five Year Plan of the State of Jammu & Kashmir is Rs. 33·92 crores.

PROGRESS OF EXPENDITURE

2. (1) The actual expenditure incurred in 1956-57 amounted to Rs. 4·11 crores. Against the agreed outlay of Rs. 5·87 crores for 1957-58, the State Government budgeted an outlay of Rs. 5·29 crores and have reported the revised estimate at Rs. 5·16 crores. For 1958-59, an outlay of Rs. 5·52 crores has been agreed to by the Planning Commission. On this basis the expenditure in the first three years would be Rs. 14·79 crores and this would involve a fulfilment of the Plan in terms of outlay to the extent of 44% only. Even if expenditure is stepped up considerably in the remaining two years 1959-61, it will be difficult to expend the balance of outlay of Rs. 19·13 crores in full.

(2) The following is a summary statement by major heads of development of the five-year plan provision, progress of expenditure in 1956-58 and the outlay agreed for 1958-59:

(Rs. crores)

Head	Plan provision 1956-61	1956-57 Actuals	1957-58 Revised Estimates	1958-59 Outlay Agreed	Total 1956-59	Col. 6 as % of Col. 2
1	2	3	4	5	6	7
Agriculture & allied Subjects . .	5·56	0·49	0·72	0·72	1·93	35
N.E.S. & C.D. .	1·97	0·80	0·58	0·84	2·22	113
Irrigation . .	2·39	0·04	0·08	0·20	0·32	13
Power . . .	3·29	0·44	0·68	0·74	1·86	57
Industry . .	3·41	0·15	0·67	0·66	1·48	43
Transport . .	5·70	1·19	1·03	0·68	2·90	51
Social Services :						
Education . .	2·85	0·22	0·34	0·49	1·05	37
Health . . .	2·85	0·12	0·25	0·32	0·69	24
Housing . .	0·95	0·17	0·26	0·30	0·73	77
Welfare of Backward Classes . .	0·39	..	0·04	0·08	0·12	31
Social Welfare .	0·21	0·01	0·01	0·03	0·05	24
Labour & Labour Welfare . .	0·07	..	0·01	0·03	0·04	57
TOTAL (Social Services) . .	7·32	0·52	0·91	1·25	2·68	37
Miscellaneous .	4·28	0·48	0·49	0·43	1·40	33
GRAND TOTAL	33·92	4·11	5·16	5·52	14·79	44

The outlay in the first three years under Health, Welfare, of Backward Classes and Social Welfare is about 30% or less. Under Irrigation, the outlay is only 13%. Under Power, however, the expenditure would be 57% in the first three years.

REVIEW OF IMPORTANT SECTORS

3.(1) *Agricultural Production.*—The revised target of additional food production for the State was fixed at 2·06 lakh tons. The position in regard to achievement of this target in the first two years is as under:—

Additional Production potential for food grains*

(Lakh tons)

	1956-57 Achievement	1957-58 Anticipated achievement
Major Irrigation	..	..
Minor Irrigation	0·01	..
Land Reclamation	..	..
Manures & Fertilisers	0·03	0·01
Seed Schemes	0·21	0·01
Improved Agricultural Practices	..	..
TOTAL	0·25	0·02

The State had to set up 13 Seed Farms in the first three years. In 1956-57, 4 seed farms were set up and 1 was set up in 1957-58. The target for 1958-59 is 2 additional Seed Farms. Thus the Plan target of 13 Seed Farms is not likely to be achieved during the first three years as anticipated. Against the five-year target of distribution of 22,000 tons of ammonium sulphate, 3,200 tons were distributed during the first two years.

(2) *Minor Irrigation.*—The expenditure during the first three years is Rs. 82·5 lakhs against the five-year outlay of Rs. 256 lakhs. The achievement is estimated at 5,000 acres for 1956-57 and 1,000 acres for 1957-58 against the five-year target of 1·25 lakh acres. The shortfall is mainly due to natural calamities. In the last discussions at State Headquarters, it was noticed that the irrigation potential which had already been created under certain Minor Irrigation Works was not being fully utilised. It had been suggested that a Co-ordination Committee of Revenue, Agriculture and Irrigation Departments at the State level might be set up and legislation adopted to levy water rates for the entire commanded area irrespective of the fact whether water was utilised or not.

(3) *Major & Medium Irrigation.*—The expenditure in the first three years on irrigation projects would be Rs. 32 lakhs against the

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*Estimated by Agriculture Division, Planning Commission ; data subject to certain limitations.

plan outlay of Rs. 239 lakhs *i.e.* only 13%. The progress under this sector is very slow and the need for stepping up the outlay and achievement of targets in this sector was emphasised in the July, 1957, discussions. Against the Second Plan target of 97,000 acres of additional irrigation, the achievement so far is nil and for 1958-59 also no additional area will be brought under irrigation.

(4) *Power*.—Against the five-year provision of Rs. 3·29 crores for electricity projects, the expenditure in the first three years is estimated at Rs. 1·86 crores, *i.e.* about 57%. As compared to other sectors, the progress under Power is considerable. Of the 19 schemes in the Plan three have been completed and all the remaining have been started. Against the five-year target of 19,400 K.W., the achievement in 1956-57 is nil. In 1957-58 700 K.W. of additional capacity is likely to be added. In 1958-59, no additional capacity is to be added.

FINANCIAL RESOURCES

4. (1) The following table brings out the picture of financial resources in some detail:

(Rs. crores)

	1956-57 Actuals	1957-58 Likely Actuals	1958-59 Agreed	Total 1956-59	Five year* estimater 1956-9
I. *Plan Outlay* . . .	4·1	5·2	5·5	14·8	33·9
II State's Contribution					
A. *Revenue Account* :					
1. Balance from Rev. Account at 1955-56 level . .		0·4	2·2	2·6	0·5
2. Additional Taxation . . .		0·2	0·4	0·6	..
3. Share in additional Central taxation . . .		0·1	0·2	0·3	..
		0·7	2·8	3·5	0·5
B. *Capital Account* ;					
1. Loans from Public		..	..	..	..
2. Share of small Savings .		..	..	..	..
3. Unfunded debt and other miscellaneous receipts .		(—)1·4	(—)0·8	(—)2·2	(—)13·1
TOTAL (A+B) . .	0·2	(—)0·7	2·0	1·5	(—)12·6
III. Central Assistance (a) .	3·9	4·6	3·5(b)	12·0	
IV. *Gap in Resources* I—(II+III) . . .		1·3	..	1·3	

*These are tentative estimates worked out in the Planning Commission.

(a) The figures are as estimated in the Working Group on Financial Resources.

(b) Loans—Rs. 2·6 crores, Grants—Rs. 0·9 crores.

(2) The State's contribution towards the Plan outlay of Rs. 33·9 crores was estimated at Rs. (—) 12·6 crores; Rs. 0·5 crore on Revenue Account and Rs. (—) 13·1 crores on Capital Account. Thus, in addition to the Plan outlay, a gap of Rs. 12·6 crores was to be covered in the normal expenditure. However, in the first three years, the State would contribute to the resources for the Plan a sum of Rs. 3·5 crores on Revenue Account and Rs. (—) 2·2 crores on Capital Account, and a sum of Rs. 1·3 crores from reserves and sale of securities etc. The Central assistance for the first three years as estimated in the Working Group on Financial Resources comes to Rs. 12 crores. Actual releases in 1956-57 and releases/sanctions in 1957-58 are as follows:—

	(Rs. crores)	Loans	Grants
1956-57	4·08	3·58	0·50
1957-58	3·06	2·46	0·60
1958-59 (agreed)	3·50	2·60	0·90
	10·64		

(3) Against the five-year estimate of Rs. 0·5 crore, the balance from Revenue Account in the first three years comes to Rs. 2·6 crores. This is mainly due to the annual gain of about Rs. 1·6 crores as a result of the Finance Commission's Award.

(4) No additional taxation was anticipated for the five-year period. The likely achievement for the first three years from the measures taken by the State Government is Rs. 0·6 crore. For the five-year period the revenue from these measures is estimated at Rs. 1·4 crores.

(5) In regard to Loans from the public and Small Savings collections, no Plan target was anticipated for this State and therefore no amounts have been collected.

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